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Capital & Class

'If "Marxists" would only read Marx': The significance of Simon Clarke's Marxism

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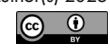
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Abstract

Simon Clarke was an original and consistent Marxist thinker. From an early stage in his career, he independently developed a cogent, non-dogmatic reading of Marx's work that ran against the grain of the dominant variants of Marx of his day. In this piece, we delineate the main features of Clarke's Marxism through a reading of an early essay, first drafted in 1970. We highlight his critique of ideology, his focus on the forms through which the social relations of production appear and his insistence on the unity of theory and history – the conviction that the class struggle is expressed in the concrete movement of history. These features would form the bedrock of his truly significant contribution over five decades.

Keywords

class struggle, critique of Althusserian structuralism, ideology, Marxism, production

In 1970, aged just 24 years, Simon Clarke penned a scathing critique of the structuralist Marxist philosophy of Louis Althusser. Althusser was at that time a towering presence among Western European Left intellectuals. Over the next decade, and to an extent

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Clarke later admitted he was naïve to not have foreseen,[1] Althusser's project to expunge Marx's work of its 'humanist' content would go on to exercise even greater intellectual and political influence, including among various forerunners of what would become post-structuralism. Yet in that essay, which bristles with antipathy towards Althusserianism and its acolytes from the get-go, Clarke appealed to readers to resist the pull of the prevailing current of Marxist thought. Read Marx for yourself and with an open mind, he implored. This had been Clarke's own instinct. His attentiveness to 'what Marx says, *and what Marx says he is saying*' (Clarke 1980: 27) shines through the pages of that early essay. And it had paid off. Even at that relatively young age, his grasp of Marx's method and of the critique of political economy was impressively accomplished and full. The result was a veritable tour de force, a devastating indictment of the theoretical inconsistencies of Althusserian structuralism, its dogmatic inability to break with Stalinism and its affinities with bourgeois sociology.

We begin our tribute to Clarke with reference to this early essay in order to illustrate some of his most indelible and impressive personal traits: his humanity, his intelligence, his scholarly tenacity, his fierce independence of mind and his commitment to the intellectual and political project Marx bequeathed to us.[2] But we also want to acknowledge the originality and potency of Simon's contribution back then, and in recognition of how his reading of Marx *for and by himself* would form the solid and consistent basis of the even more impressive contribution he would make in the decades that followed. Given the historical distance of our present moment from that of the early 1970s, but also the degree to which the reading of Marx Clarke laid out in that essay is today the accepted vernacular among very many proponents of (what we might variously term) Marxist critical theory, open Marxism, form-analytical Marxism, or even the 'CSE tradition', it is perhaps easy to underestimate the originality and significance of Clarke's Marxism. In what follows, we point to just a few fundamental and consistent features of his approach, which he outlined himself in a few pages of that early essay – features to which he would adhere in subsequent decades, influencing myriad others, and cementing his own legacy in the process.

First, Clarke rejected as ideology *any* approach to understanding capitalist production as a mere technical question of the 'economic' production of use-values onto which juridical relations and questions of distribution and ownership are superimposed. In Clarke's (1980) reading, Marx had precisely revealed any such approaches to be forms of bourgeois ideology in that they eternise the capitalist mode of production by making the '"factors of production" . . . appear as relations already inscribed in the technical structure of the material production process' (p. x). For Clarke, on the other hand, relations *of* production do not come down to relations *in* production. This is a crucial, substantive point: for Marx, and therefore for Clarke (1980), '*the primacy of production in the historical development of a differentiated totality*' (p. 52) is fundamental. Both recognised that the production of life through the expenditure and development of the productive powers or forces of the human individual (i.e. a material or natural relation) takes on necessary concrete shape (and is thereby necessarily mediated) in and through social relations, which are therefore determined as social relations of production. So:

> Production is . . . as a process which is indissolubly social and material, *production both of material products and of social relations*. Moreover, this unity is not a harmonious unity, at least in a class society, but is a *contradictory unity*: the *contradictory unity of the forces and relations of production.* In a capitalist society this contradictory unity exists in the specific historical form of the contradiction between production as *the production of value and as the production of use-values*. (Clarke 1980: 18)

It was precisely this insight, Clarke argued, that Althusserianism and its assault on humanism and the alleged Hegelianism of the so-called early Marx sought to quash (see Pascual and Ghiotto in this forum). By developing a structural 'science' of capitalism's economic laws (related only relatively-autonomously to the 'political' sphere), Althusserianism reaffirmed its own status as ideology, as Clarke's critique laid bare. And it was this insight that also informed Clarke's repudiation of any moral critique of the 'unfair' distribution of assets, revenues or power among classes or 'factions', even as advanced by so-called neo-Marxists.

This first feature alone shows just how pioneering Clarke's reading of *Capital* was, and it is worth throwing into relief the more specific intellectual context of his intervention at that time. On the one hand, the efforts of most Marxist economists were geared towards the mathematical reduction of prices to quantities of labour (the 'transformation problem') in an attempt to 'logically prove' the fact of exploitation in capitalism. On the other hand, precisely inspired by Althusserianism, the attention of the great majority of Marxist sociologists was mainly focused on a one-sided and narrowly conceived concern with direct exploitation and domination through 'the interpersonal relation' between 'labourer and owner of means of production' (Clarke 1980: 61). By contrast, although this aspect would become more prominent and central in his later books from the 1980s like *Marx, Marginalism and Modern Sociology* or *Keynesianism, Monetarism and the Crisis of the State* (see Burnham, Bonefeld and Fairbrother in this forum) already in this early article it is possible to discern that, for Clarke, what set the Marxian *critique of political economy* apart from bourgeois social science was its discovery of the fetishistic constitution of value, money and capital as historically specific, alienated, objectified forms of social mediation in the capitalist mode of production.

Second, then, Clarke's own Marxism was attentive to how the general determination of the contradictory development of the productive powers of the human individual is expressed in the concrete, historically changing character of the social relations of production: a 'specific and determinate historical process by which social relations are subsumed under the dominant relation of production and so are determined as developed forms of that relation' (1980, p. 19). In other words, Clarke's Marxism homed in on *social form*, and his contribution to what might now be termed 'form-analytical Marxism' is significant indeed. The insight that 'social relations are not technical relations but are the social basis of *both* the "economic community" and "its specific political form"' (Clarke 1980, p. 72) formed the bedrock for his highly influential form-critique of the state (see Pascual and Ghiotto in this forum) and of money, as well as of forms of ideology in institutional academia (of sociology and economics) and of paradigms of macroeconomic policymaking (Keynesianism and monetarism). Clarke (1980), like Marx, understood that

> the social relations of production appear in specific economic, political, and ideological forms, and their determination as moments of the 'relations of production in their totality' can only be through their historical subsumption under the dominant relation of production in the development of the contradiction on which that relation is based. (p. 20)

The task of Marxism, therefore, is to engage in concrete analysis of 'the *forms of domination* of social relations by the capital relation and the *specific limits* of that domination' (Clarke 1980: 20). This is the red thread that runs throughout his subsequent work on the state, money, crisis, economic policymaking and industrial relations.[3]

Third, and consequently, Clarke was disinterested in the elaboration of abstract concepts or 'laws' – whether 'interpreted in the Hegelian sense of the dialectical development of the Idea or in the positivist sense of the deductive elucidation of the fundamental postulates of the theory' (Clarke 1980: 20). Rather, his analytical gaze was fixed, laser-like, upon 'real human history' (Clarke 1980: 20), which necessarily develops through the socially constituted and situated (antagonistic) subjectivity and action of concrete individuals – in other words, upon the concrete unfolding history of experience of the working class and its struggle against capital. This insight meant that Clarke never lost sight of the need to maintain the integrity of the dialectic of theory and history, of 'thought and reality' (pp. 45–46), always resisting any epistemological temptation to formulate and promulgate so-called laws of historical development in abstraction or in separation from what is going on in the real world and with the class struggle specifically. Accordingly, Clarke (1980) was unwavering in his view that 'the fundamental class relation of capitalist society' is a 'total social relation' which is expressed in the differentiated forms which comprise the unity of the circuit of capital as a whole (p. 62). Moreover, 'this relation cannot be reduced to the economic forms in which it appears' (Clarke 1980: 62) but is also expressed in differentiated political and ideological forms. And so, therefore, the class struggle through which the relations of production necessarily develop is expressed in the concrete movement of history:

> In a class society [the relations of production] are differentiated class relations, and their development, under the impact of changes in economic conditions, and subject to the constraint of those conditions, is the development of a multi-faceted class struggle. This struggle is not, however, something divorced from production, located in some relatively autonomous political instance, taking the whole social formation as its object. *The class struggle is the form of development of the developed forms of the relation of production, an omnipresent economic, political, and ideological struggle*. (Clarke 1980: 72–73)

It follows, then, that for Clarke the organised working class – rather than new social movements, 'humanity' or the 'multitude' – is indeed the revolutionary subject (though he arrived at this conclusion via a non-orthodox route and in such a way that he never saw fit to endorse any official Party of/for the working class).

These are the enduring features of Clarke's Marxism that were already integral to his critique of Althusserianism in the early 1970s. That early essay showcased Clarke's own distinctive potency as a (then young) Marxist: confidently, authoritatively and independently expounding a non-dogmatic version of Marx that still impresses. Today, we

remember Clarke for the clarity, originality and consistency of his work that would follow over subsequent decades; as a source of education and inspiration; and as a lodestar for very many other contributors to *Capital & Class* these last 50 years. Thank you, Simon.

Notes

1. Hence, he opted not to publish his essay until a decade later (Clarke 1980). The main title of our tribute is taken from the latter (Clarke 1980: 27).
2. Those of us who were fortunate to know him personally can also attest to his generosity as an academic mentor and colleague, and his warmth as a human being.
3. It should also be acknowledged that Clarke saw the ultimate limit of these forms of domination as obtaining at the scale of the world market, making him an advocate of the view that the capitalist mode of production is global in content and national only in form – another distinguishing feature relative to most of his peers.

Reference

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CHAPTER 4

The Commodity Form and the Dialectical Method

Introduction

In the Preface to the First Edition of *Capital*, Marx makes evident that he was fully aware of the complexity entailed by the first steps in the critique of political economy. Thus he states:

> Beginnings are always difficult in all science. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficulty.[1]

The endless debates over the real meaning and implications of Marx's discussion of the commodity form seem to suggest that, if anything, Marx's warning actually fell short of the real difficulties at stake. And whether it is explicitly acknowledged or not, it is clear that the diverse readings of Marx's critique of political economy entail different political implications.[2] In fact, it could be argued – and, hopefully, this chapter and the ones that follow will substantiate this claim – that those 'minutiae', which the discussion of the determinations of the commodity form 'appear to turn upon',[3] are of paramount importance for the conscious organisation of the revolutionary action of the proletariat. This is shown not only in Marx's insistence on the impossibility of correctly grasping the determinations of those more abstract social forms from the bourgeois standpoint of political economy,[4] but also in the central role they played in his critique of the ideological representations of them coming from the working class movement itself, e.g. Proudhonian socialism.[5]

1 Marx 1976g, p. 89.

2 Dimoulis and Milios 2004.

3 Marx 1976g, p. 90.

4 Marx 1976g, p. 174.

5 See Clarke (1994) and Shortall (1994) for good reconstructions of Marx's critique of Proudhonian socialism based on the latter's misunderstanding of the nature of the commodity and money forms. Thus, the gist of Marx's critique of Gray's proposal to preserve private commodity production while replacing the money form with labour time certificates issued by a national bank, comes down to the latter's inability to comprehend the immanent necessity of the value of commodities to take on the independent form of money (see Elson 1979b, pp. 135–6). Similarly, in the *Grundrisse*, Marx ridicules Darimon's proposal of abolishing the privilege of money (that of being directly exchangeable for all commodities) by making 'by decree'

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It is my view that this diversity in the ways in which Marx's followers have read the ideal reproduction of the determinations of the commodity form contained in *Capital* is closely connected to the varied methodological perspectives from which those authors have attempted to grasp the former. In other words, those different interpretations of the actual *content* of the first section of *Capital* express different understandings of the very *form* of scientific knowledge unfolded in that book. Seen the other way round, and this is the fundamental issue to be discussed in this chapter and the next, I would argue that only on the basis of a sound comprehension of the dialectical method can the implications of Marx's investigation of the commodity form be uncovered in all their plenitude.

The need to reconsider Marx's presentation of the commodity form in Chapter 1 of *Capital* through a reassessment of his dialectical method (in particular, its connection to Hegel's *Science of Logic*) has been widely recognised by a growing number of scholars. In effect, the last twenty to twenty-five years have witnessed a renewed interest in Marx's dialectical method and its implications for value theory.[6] However, despite all the light that these works have cast on the form of Marx's argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (i.e. on the exposition of the dialectical movement from the 'abstract to the concrete'). In this sense, it could be argued that this literature has glossed over two further fundamental aspects of Marx's dialectical method, which I have discussed in the previous chapter. First, those works have not sufficiently thematised the peculiar role of the *phase of analysis* in Marx's dialectical investigation generally and in his presentation in *Capital* in particular. Second, they have not paid sufficient attention to the *specific form of the analytical process within dialectical thought*.[7] My aim here, therefore, is to fill these gaps in the literature.[8]

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all commodities directly exchangeable (Marx 1993, p. 126). In all these cases, the common thread of the Marxian critique lies in the incapacity of those authors to grasp the necessary inner connection between the commodity and money forms.

6 See, among others, Murray 1988; Smith 1990a; Moseley 1993; Moseley and Campbell 1997; Arthur 2002b; Albritton and Simoulidis 2003.

7 The distinction between analysis (in the sense of dissection of the 'whole' into 'parts' or 'identification of differences') and synthesis (in the sense of reconstitution of the 'unity' of the whole) is not peculiar to dialectics. As I argue below, what sets the latter apart from formal-logical methodologies is the specific *form* taken both by the analytical and synthetic processes in dialectical thought. Zelený provides a concise discussion of the different meanings of analysis and synthesis in science and philosophy, which also traces back their intellectual lineage (see Zelený 1980, Chapter 10).

8 These other aspects have not been entirely absent in the literature. However, they came up in

The main purpose of this chapter is to provide a methodologically minded critical reading of Marx's argument about the determinations of the value form of the product of labour in the first chapter of *Capital*. Through this reading, I shall substantiate the claim made in the first part of the book that *Capital* crystallises the positive deployment of the methodological insights gained by the 'young Marx' through his critique of Hegel, the Young Hegelians and Proudhon. In other words, I shall show that *Capital* contains Marx's dialectical method, as discussed in the first part, concretely set into motion for the intellectual reproduction of capitalist social forms. While this latter statement is true of the book as a whole (or, at least, to its first volume, the only one that Marx prepared for publication), the detailed examination of the structure of the first three sections of Chapter 1 is of particular significance. In effect, the exposition of the determinations of the commodity form contained there is, arguably, the most paradigmatic place where he presented the concrete workings of his dialectical method of research in the indissoluble unity of its analytic and synthetic stages.[9] On these grounds, additionally, I will try to show that many of the confusions and misunderstandings among both followers and critics of Marx spring from an inadequate grasp of the dialectical structure of Marx's exposition.

Finally, this close examination of the expositional structure of the first three sections will set the stage for the discussion in the following chapter of this book, in which I discuss Marx's presentation of the fetish character of the commodity. As will became evident later on, only by properly grasping the precise content and formal structure of the first three sections of Chapter 1 of *Capital* can the specific object of exposition and systematic significance of the section on 'commodity fetishism' be fully appreciated.

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the debate among 'new dialecticians' relatively late (Murray 2002; Reuten 2000) and have not been pursued any further until recently (see Reuten 2014, who does address in great detail the connection between analysis and synthesis, and that between inquiry and presentation, in systematic dialectics). See also Brown et al. (2002) for a discussion of some of these issues through a comparison between critical realism and systematic dialectics. Be that as it may, it is my view that compared to the light thrown on the synthetic aspects of Marx's method of presentation, the nature of the relation between analysis and synthesis in the presentation, and the way in which this relates to the formal determinations of the dialectical inquiry, have not been explored with the same degree of clarity.

9 Iñigo Carrera 2013.

Inquiry and Presentation, Analysis and Synthesis: On Some Controversies over the Initial Passages of Marx's Argument in *Capital*

In *Capital*, Marx puts into motion the discoveries which allowed him to overcome the limitations of his early account of alienated labour and its supersession. In contradistinction to the *Paris Manuscripts*, and as he clearly states in the *Marginal Notes on Adolf Wagner*, he takes as a point of departure neither the concepts of political economy nor any concept whatsoever,[10] in order thereby to discover alienated labour as their presupposition. As the title of his most important work denotes, the subject whose determinations the dialectical investigation proceeds to discover and present is *capital*, which, as the alienated subject of social life becomes 'the all-dominating economic power of bourgeois society' and must therefore 'form the starting point as well as the finishing point' of the ideal reproduction of the concrete.[11] In this sense, Marx's exposition in *Capital* does not advance towards the discovery of alienation, but instead starts from what the dialectical inquiry revealed as its most abstract and general form.[12] He starts with the immediate observation of the simplest *concretum* in which the alienation of labour is expressed in order to develop the real determinations specific to this social form.[13] As has now been widely acknowledged, this starting point is not an ideal-typical – or worse, historically existent – simple commodity-producing society, as in the orthodoxy derived from Engels and popularised by authors such as Sweezy and Meek.[14] In Marx's own words, he starts with the commodity as the 'economic cell form of bourgeois society'.[15]

> We begin with the commodity, with this specific social form of the product – for it is the foundation and premise of capitalist production. We take the individual product in our hand and analyse the formal determinants that it contains as a commodity and which stamp it as a commodity.[16]

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10 Marx 1975b, p. 198.

11 Marx 1993, p. 107.

12 Iñigo Carrera 2008, p. 323; Meikle 1985, pp. 71–2; Schmidt 1983, pp. 48–9.

13 Marx 1975b, p. 198.

14 Engels 1980; Sweezy 1968; Meek 1973. For a critique of the Engelsian orthodoxy on this question, see Arthur 1996, 1997 and 1998b; Backhaus 1980; Robles Báez 2000; Reichelt 1995; Weeks 1981.

15 Marx 1976g, p. 90.

16 Marx 1976c, p. 1059.

However, Marx's presentation does not directly start with the essential determinations of the commodity form, but rather starts from the immediate observation of an individual commodity in its outward appearance.[17] In a presentation which will prove full of 'metaphysical subtleties and theological niceties',[18] Marx shows that what determines the commodity as a form of social wealth is not only that, as any product of labour, it possesses a use value, but that the latter acts as the material bearer of a second attribute, namely, exchange value. The further analysis of the commodity reveals that exchange value is actually the form of expression of a content distinguishable from it – the value form, or the attribute of general exchangeability of the commodity – the substance of which resides in the abstract labour congealed in it, and whose magnitude is consequently determined by the socially necessary abstract labour time required for its production.

The above line of reasoning has been the subject of all kinds of objections put forward by different interpreters of Marx. As I argue below, those reservations about Marx's argument have their source in an inadequate comprehension of, or insufficient attention to, the nature of the crucial distinction between two different moments involved in Marx's dialectical inquiry and presentation, namely, the stage of analysis and that of synthesis. In particular, I think that it is confusion over these questions that lies at the basis of widespread critiques of Marx's line of argument about the determinations of the commodity form;

17 Properly speaking, there is a previous step in Marx's presentation. He first starts with the form in which social wealth appears in capitalist society, namely, an 'immense collection of commodities' (Marx 1976g, p. 125), the individual commodity being its elementary form. The unfolding of the determinations behind this appearance is not completed until Volume II, where the unity of the movement of the total social capital itself, in the form of the circuit of commodity capital, is revealed as positing social wealth in the form of an immense collection of commodities (Marx 1978, pp. 174–7). The secondary literature on Volume II is remarkably limited compared to what has been written on Volumes I and III. Certainly, there has been a lot of discussion of the final part on the schemes of reproduction, misguidedly revolving around the notion of a mechanical impossibility of capitalist reproduction as constituting the limit to capital (see Rosdolsky 1986, for a survey of the early classical debates on that question). But the first part of Volume II has been generally neglected. Some of the few works available that deal in some detail with aspects of the former include: Fine 1975; Shortall 1994; Fine and Saad-Filho 2003; Arthur and Reuten 1998. On the circuit of capital, see especially the contribution by Arthur (1998a) in the latter book. More recently, David Harvey has contributed to redress the situation in the second volume to his *Companion to Marx's Capital* (Harvey 2013).

18 Marx 1976g, p. 163.

not only by well known critics such as Böhm-Bawerk,[19] but also among some of Marx's disciples.[20] In brief, the general thrust of those objections is as follows: in *Capital*, Marx did not provide an adequate 'logical proof' that commodities have a 'something' in common and that that 'something' is congealed abstract labour.[21]

The first point at stake in this objection has already been forcefully made by other scholars, so I will refer to it only briefly. In a nutshell, the question comes down to the radical methodological difference which, as Meikle insightfully notes, separates Marx's dialectical approach to science from the formalism and atomism of bourgeois conceptions.[22] Clearly based on the latter, Böhm-Bawerk's objections came from someone who could only see science as a purely

19 Böhm-Bawerk 1975.

20 Thus both Reuten (1993, p. 107) and Arthur (1993, p. 76) agree that Böhm-Bawerk's objections to Marx's line of reasoning about abstract labour as the substance of value are justified; not because Marx is wrong in seeing abstract labour as the substance of value, but because his grounding of that point is defective from a 'systematic dialectical' perspective. This objection can actually be traced back to Hans-Georg Backhaus's groundbreaking essay of 1969, 'On the Dialectics of the Value-Form' (Backhaus 1980, pp. 99–100). A non-Ricardian, value-form critique of Backhaus (and defence of Marx's argument) can be found in Murray (2013).

21 A good and concise account of the essence of this critique can be found in Kay (1979, pp. 48–58). See also Park 2003. Specifically, Böhm-Bawerk objected that Marx did not take into consideration common properties other than being products of labour – e.g. utility, scarcity, and so on – as possible determinants of exchange value (Böhm-Bawerk 1975, pp. 74–5). In this sense, it is worth noting that in the process of *inquiry* Marx did consider – but discarded and, hence, excluded from the *presentation* – 'utility in general' as the substance of value. This is evidenced by the following remarks from the preparatory *Manuscripts of 1861–63*: 'We have seen that the basis of value is the fact that human beings relate to each other's labor as equal, and general, and in this form social, labor. This is an abstraction, like all human thought, and social relations only exist among human beings to the extent that they think, and possess this power of abstraction from sensuous individuality and contingency. The kind of political economist who attacks the determination of value by labor time on the ground that the work performed by 2 individuals during the same time is not absolutely equal (although in the same trade), doesn't yet even know what distinguishes human social relations from relations between animals. He is a beast. As beasts, the same fellows then also have no difficulty in overlooking the fact that no 2 use values are absolutely identical (no 2 leaves, Leibniz) and even less difficulty in judging use-values, which have no common measure whatever, as exchange values according to their degree of utility' (Marx 1988, p. 232).

22 Meikle 1985, Chapter 3.

'logical construct' and not the reproduction in thought of 'how things essentially are'.[23] Thus, with 'the characteristic empiricist gap between "truths" and the entities they are supposed to be true of',[24] he could only read Marx's initial pages as an abstract, formal process of 'logical proof'.[25] The possibility that those pages unfold the real nature and specific self-movement of a determinate content (the commodity form of the product of labour) and do not contain a formal deduction was beyond Böhm-Bawerk's formalistic field of vision.[26]

Secondly, and more important for the purpose of this chapter, at stake here is another aspect of Marx's argument in the first pages of *Capital* that has not been sufficiently or satisfactorily explored by most scholars: the specific nature and significance of the difference between the phase of analysis and that of synthesis within a dialectical exposition. This double movement in the dialectical *presentation* is not an arbitrary stylistic or rhetorical strategy introduced by Marx, but, as discussed in the first part of this book, reflects a real difference characterising the specificity of dialectical *inquiry*. The latter must involve *both* identification of the different forms taken by the subject whose determinations the dialectical investigation attempts to reproduce in thought (i.e. the analytical separation between social forms according to their relative degree of concreteness) *and* the 'tracking down of their inner connection' (i.e. the *synthetic* discovery of the immanent real necessity linking those different forms).[27] A fundamental implication follows from this: the exposition of the

23 Meikle 1985, p. 80.

24 Meikle 1985, p. 79.

25 As Sayer (1979, pp. 94–5) notes, Althusser and Balibar (1968) and his British followers (Hindess and Hirst 1975 and 1977) fell prey to this appearance.

26 Kay 1979, pp. 51–2. Besides, it is to be noted that Böhm-Bawerk completely missed the actual object of Marx's presentation in Chapter 1 of *Capital*, which is the commodity and not the causal determination of exchange ratios (Kliman 2000, p. 104).

27 Marx 1976g, p. 102. Here my approach differs from that of both Murray and Reuten. The former seems simply to identify analysis with inquiry (what he calls 'phenomenology'), and synthesis with presentation (Murray 2000, pp. 36–8). Reuten does allow for synthetic moments in the process of inquiry, but only as 'provisional outlines of inseparability of phenomena' (Reuten 2000, p. 143). Moreover, although he is right to see the need for the dialectical presentation to be fundamentally synthetic, he does not fully explore the possibility that the dialectical researcher presenting the results of the inquiry may include 'stylised' moments of analysis in order to highlight the unity of the dialectical process of cognition. He only mentions this possibility in passing when discussing Banaji's argument about the twofold starting point of Chapter 1 of *Capital* (Banaji 1979, pp. 36–40; Reuten 2000, p. 158). But as I argue below, this presentational strategy plays a central role at least in

explanation proper of the necessity underlying the relations between different social forms – what would amount to a 'logical proof' in the language of formalistic methodological approaches – is not to be found in the dialectical *analysis*, but in the *synthetic* movement of the exposition. Now, since it is in the latter only that the unfolding of the real movement of determination – hence the explanation – actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form.[28] However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* (the only one he edited for publication himself); this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process.[29] Since this peculiar structure of Marx's presentation of the determinations of the commodity form actually recurs throughout most of Volume I, and given that its misunderstanding has caused so many controversies among critics and followers alike, it might be worth providing further elaboration on this last point.

In a nutshell, this structure of Marx's dialectical presentation starts by taking the immediate concrete appearance of the determinate social form at stake. Through a brief analytic movement, it subsequently uncovers its inner essential determination.[30] The exposition then proceeds by synthetically unfolding the realisation of that (more abstract) determination. This stage goes on until the specific potentiality defining the essential determination of the social form

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the whole of Volume I. Fineschi (2009) offers an interesting overview of German debates in the 1970s dealing with the connection between Marx's method of inquiry and his method of presentation.

28 Iñigo Carrera 2008, p. 317.

29 On the role and the pros and cons of this analytic moment in the peculiar structure of the dialectical exposition in *Capital*, Volume I, organised around presentational 'nodes', see Iñigo Carrera 2008, p. 323.

30 Marx sometimes includes *apparent* (hence flawed) analytical paths in his exposition that are revealed to be such through a movement that leads the reader back to the unmediated starting point, that is, without making any progress towards the discovery of the underlying specific determination defining the object under scrutiny (Iñigo Carrera 2008, p. 320). The presentational role of the inclusion of these flawed analytical movements is mainly pedagogical; they serve to place more emphasis on the correct analytical path. Marx's consideration of the possibility that the particular material properties of the commodity under investigation constitute the more abstract form behind the attribute of general exchangeability is an example of this (Marx 1976g, pp. 127–8). Incidentally, it is to be noted that this is the real meaning of what Böhm-Bawerk mistakenly saw as Marx's 'method of exclusion', through which he allegedly provided a 'purely negative proof' of abstract labour as the substance of value (see Böhm-Bawerk 1975, pp. 68–9).

under scrutiny, and whose realisation the exposition is ideally reproducing, negates itself as immediately carried by that abstract social form to become affirmed as immediately pertaining to the more concrete form into which it has metamorphosed. This signals that the first presentational node has been exhausted. A new one thereby begins, but now with the more concrete form whose genesis has been traced in the former as the subject of the movement to be ideally reproduced. However, the new node does not directly start with the inner determinations of this more concrete social form but, again, with its immediate manifestation. An analytic movement therefore precedes the former.[31]

Returning to my main argument about the general aspects of this formal structure of Marx's presentation: as mentioned above, it is the exposition of the *dialectical synthesis* that reveals the 'why' of real relations. The analytic stage only separates a social form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage is about not the *why*, but the *what*. Evidently, since the separation of social forms according to their relative degree of abstractness/concreteness ideally expresses the objective necessity (the real relations) residing in the object, and is not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. Thus, if the dialectical analysis reveals that the value form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a 'pointing out', an observation. The actual ideal reproduction of that inner connection – the explanation – takes place in the synthetic movement.[32]

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31 At this juncture, it is important to point out that, in the dialectical *inquiry*, analysis and synthesis overlap in the concrete intellectual labour of the scientist. Thus the actual activity of inquiry of the dialectical researcher involves a constant passage from phases of analysis to phases of synthesis, and therefore they do not immediately appear as distinct aspects of the process of cognition. However, they do constitute two real determinations of the dialectical method and therefore it is crucial to bear their difference in mind. And it is this real difference which appears 'in its purity' in the dialectical exposition, when the author decides to reproduce the analytical stage (whether in whole or in part) in the presentation.

32 In his *Science of Logic*, Hegel refers to this distinction between the role of analysis and synthesis as the difference between the *apprehension* of what is and its *comprehension* (Hegel 1999, pp. 793–4). However, Hegel develops this distinction as pertaining to the 'under-

With this in mind, it is easy to understand the main reason why the criticisms levelled at Marx over his inadequate explanation of abstract labour as the substance of value in the first pages of *Capital* are not simply based on a misunderstanding about the particularities of his argument, but are completely off the mark. To put it simply, those critiques search for an explanation in the wrong place, that is, in the pages where Marx is just presenting the analytic separation of real forms, which comprise the first two sections of Chapter 1. Marx's alleged explanation of why abstract labour is the substance of value in those pages sounds unconvincing simply because it is not there. As we will see, the unfolding of this particular 'why' only occurs in section three, which discusses exchange value as the form of manifestation of value. Before engaging in that aspect of Marx's presentation of the determinations of the commodity form, let us first probe deeper into the *specifically dialectical* form of the analytical moment that precedes it.[33]

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standing', that is, an underdeveloped form of thought. Dialectical cognition, 'speculative science' in Hegel's parlance, is for him essentially synthetic (see Caligaris and Starosta 2014).

33 Regarding Chapter 1 in particular, this structure has been recognised by Banaji (1979) and Elson (1979a). However, they both seem to reduce the content of the synthetic stage of the presentation simply to the question of revealing exchange value as the necessary mode of expression of value, i.e. to the formal necessity of the money form. But as I argue below, the latter is precisely the moment when Marx is synthetically unfolding the necessity of privately performed abstract labour as the substance of value. Neither Elson nor Banaji explicitly address the question of where exactly the 'why' of abstract labour as the substance of value can be found. Elson in particular seems to concur with Rubin (see below) that it is actually in section 4. Murray (1988, pp. 148–9) rightly sees the structure of Chapter 1 as comprising a 'double movement' of form to content and then from content to form. However, presumably reducing the dialectical movement to the synthetic stage, he sees nothing particularly dialectical in the first movement; hence his analogy with Descartes's analytical reduction of the bit of wax to primary quality matter, i.e. a search for a 'third party' or common element. In reality, the general point about the twofold movement of analysis and synthesis in Marx's exposition had already been made by Rubin in his seminal work on the theory of value (Rubin 1972, p. 113). However, as I shall discuss below, his understanding of the way they structure the exposition is, I think, incorrect. Furthermore, although Rubin does distinguish between the analytic and the synthetic (genetic, as he calls it) stages of the presentation, he seems to restrict the dialectical method to the latter (Rubin 1978, p. 110). In this way, the specific form of the dialectical analysis vis-à-vis the analysis of representational scientific thought is overlooked.

The Phase of Analysis

In contrast to the claims of those critics referred to above, I think that in the opening pages of Chapter 1, Marx is not searching for a common property in commodities. Rather, he is searching for (i.e. not yet unfolding) the specific determination defining the potentiality of the commodity as a historical form of social wealth.[34] This potentiality Marx initially 'discovers' by looking at the use value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour, namely, *exchange value*. Two things follow from this. First, inasmuch as it is materially borne by the use value of the commodity, this attribute is *intrinsic* to the commodity itself. Second, as argued above, Marx is not *trying to prove logically the existence of a common property*, but *the commodity itself*, in its immediacy, shows that it *has* that 'common property' immanent in it.

Here a problem might arise, because Marx does not explicitly say in what that second attribute of the commodity consists. He just names it (exchange value) and then directly proceeds to its analysis. I think that the reason for this is that the meaning of that attribute was self-evident in the name itself in light of its everyday usage at that time. The fact that commodities have 'exchange value' simply means that they have the *power of exchangeability*, that is, *the 'fantastic' aptitude to be transformed into a different use value without the mediation of any material transformation in its bodily existence*.[35] What immediately follows in Marx's exposition is, then, the *dialectical analysis* of this social power of exchangeability of commodities. That is, Marx proceeds to answer what is the source of this specific potentiality intrinsic to the commodity, i.e. what is the abstract form appearing in the concrete form of the power of exchangeability.

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34 The difference between these two forms of grasping Marx's argument in the first pages of *Capital* expresses the difference between the dialectical form of the analysis and that of representational thinking. Many authors have highlighted the distinction between the abstractions of dialectics and those of representational thought as one between 'real abstractions vs. mental generalisation' (Saad-Filho 2002) or 'empiricist abstractions vs. determinate abstractions' (Gunn 1992). 'Empiricist abstractions' have also been called 'formal abstractions' (Clarke 1991a) or 'general abstractions' (Murray 1988). However, as Iñigo Carrera (2008, p. 282) points out, what most authors have overlooked is that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified. My argument is that this difference in form not only applies to the synthetic or genetic phase – as is usually assumed – but *crucially pertains to the process of analysis as well*.

35 Iñigo Carrera 2007, p. 216.

As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[36] Thus, the first step in the analysis of exchangeability is the separation of the *content and form* of that specific attribute of the commodity, this being the only way in which one can penetrate through the concrete form in which an abstract form presents itself. Again, this is the immediate object of Marx's exposition in the passages that follow, and not the search for a 'common something' or 'third thing', the existence of which the distinction between form and content presupposes.[37] This separation between form and content reveals that the different *particular* exchange relations that a commodity establishes with other commodities are actually expressions of something else that inheres in commodities and which gives them the identical *qualitative* potentiality of *general exchangeability* in a certain *magnitude*. Once form and content of the attribute of general exchangeability are distinguished, Marx continues with the analysis of the latter, which consists in separating that form of general exchangeability from the abstract form whose necessity it carries within itself as its 'other'. The particular form that this analysis takes is, again, not the search for a common element, but the search for the determinate action which posits that specific attribute existing in commodities.[38] That action, Marx states, is a human action in one of its facets, namely, productive labour in its general character or abstract labour. Commodities have this attribute of general exchangeability as products of the abstract character of the labour objectified in them.[39]

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36 Marx 1976g, p. 126.

37 In order to avoid confusions, I am not implying that the existence of a common property and exchange equivalence are not important elements of Marx's arguments. My point is that Marx is not *logically proving* the existence of a common property or that the only possible substance of that common property is abstract labour. He '*finds*' that common property immanent in the commodity (actually, its immediate manifestation), and then proceeds to its *dialectical* analysis (i.e. separation of form and content). See Kicillof and Starosta 2007a and Iñigo Carrera 2007, for a fuller discussion of why being the products of the abstract character of labour is the only reasonable determination behind the value of commodities.

38 Iñigo Carrera 2007, p. 218.

39 Admittedly, Marx's transition to abstract labour might seem abrupt and too unproblematic. But here it is important to bear in mind that insofar as it presents results laboriously obtained through previous research, the dialectical exposition has a fluidity which does not reflect the complexity of the real activity of analysis in the process of inquiry, in which the researcher might have mistakenly taken other analytical steps. In principle, the latter

And here there is a tricky aspect in Marx's presentation, which might have contributed to much of the confusion. Because, although at that stage of the argument he has already shown that the common 'something' is the form of general exchangeability, he does not actually *name* it until separating, in turn, that form from its content or substance.

> All these things now tell us is that human labour power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values – commodity values [*Warenwerte*].
>
> We have seen that when commodities are exchanged, their exchange value manifests itself as something totally independent of their use value. But if we abstract from their use value, there remains their value, as it has just been defined. The common factor in the exchange relation, or in the exchange value of the commodity, is therefore its value.[40]

Marx names that intrinsic attribute of general exchangeability which is manifested in exchange value, and which is posited by the abstract character of labour, *value*.[41] Now, in opposition to the claims of a great deal of contempor-

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do not need to be included in the dialectical presentation, although the researcher might decide to present them in order to stress the correct analytical path that leads to the discovery of the determinate content behind a specific social form (see footnote 30 above). Hence, when considering the action that posits the form of general exchangeability of commodities, the only actions other than labour that Marx contemplates (and obviously discards) are purely natural actions. In other words, he does not consider other kinds of human action, such as exchange or subjective 'valuation' of the utility of the commodity. However, as Iñigo Carrera (2007, p. 24) points out, neither of those other human actions can explain the *two* features that, at that stage of argument, Marx has already discovered as constituting the commodity. First, the fact that the attribute of general exchangeability is specific to capitalist society (subjective valuation of utility is a human action which occurs in non-capitalist modes of production as well, and yet it does not objectify in the value form of the product). Second, the value form is materially carried by the use value of the commodity as its bearer, which means that the action that posits those two attributes must be the same (in this sense, exchange is an action which *presupposes* rather than posits the existence of the use value of the commodity).

40 Marx 1976g, p. 128.

41 This postponement of the naming of value is one of the changes that Marx made to the First Edition of *Capital*. In the latter, the naming of 'value' occurs *before* discovering its content as 'congealed abstract labour' (see Marx 1976e, p. 9). As Fitzsimons (2012, p. 25) notes, the introduction of specific terms *after* the content of their respective determina-

ary literature on Marx's theory of the value form, I think that the (analytic) search for the specific determinations of the commodity – Marx's stated aim in Chapter 1, according to the quote above – is evidently not achieved with the discovery of abstract labour as the substance of value.[42] Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance he ended up with something which bears

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tions has been unfolded is an aspect of Marx's exposition that recurs throughout *Capital*. This presentational strategy is underpinned by a substantive methodological issue that sets apart dialectics from representational thought. Whereas the latter starts out from 'concepts' or 'categories' (i.e. purely ideal or mental abstractions) and their definitions, in dialectical science definitions do not *determine* in advance the content of a term and therefore cannot be the point of departure of the exposition. Instead, they only encapsulate determinations that have already been laboriously *developed*. In other words, definitions are arrived at rather than departed from.

42 As a reaction to the ahistorical, Ricardian reading of Marx's account of the value form, the 'new consensus' tends to see abstract labour as a purely historical, specific social form. See, among others, De Angelis 1995; Postone 1996; Reuten 1993; Arthur 2001b; Bellofiore and Finelli 1998; Kay 1999; Saad-Filho 1997; Mohun and Himmelweit 1978; de Vroey 1982; Eldred and Haldon 1981; Bellofiore 2009a; Heinrich 2009; Mavroudeas 2004; McGlone and Kliman 2004; Roberts 2004. I have developed a more extended critique of this new consensus in Kicillof and Starosta (2007a and 2007b). Here I can only offer some brief remarks on this issue. As I argue below, abstract labour is a generic material form, a 'productive expenditure of human brains, muscles, nerves, hands etc.' (Marx 1976g, p. 134). What is specific to capitalist society is the role it plays by being determined as the substance of the most abstract form of objectified social mediation, namely, value. Murray (2000) comes very close to recognising this through the distinction between 'physiological' abstract labour and 'practically abstract' labour. A proper discussion of Murray's own solution to what he terms 'Rubin's dilemma' exceeds the scope of this chapter. Here I would only like to note that Murray's merit is to grasp the importance of highlighting the *materiality* of abstract labour while making clear that this does not necessarily lead to an asocial perspective on the value form. In this way, his recent contribution to the debate provides a necessary correction to what I see as a formalist overreaction of much recent theorising on the value form. See also Reuten's reply to Murray (Reuten 2000) and the latter's rejoinder (Murray 2002). Whilst still seeing abstract labour as capital-specific, Robles Báez (2004) offers probably one of most interesting treatments of the *movement of the contradiction* between the generic, physiological materiality of abstract labour and its historically specific *social* determination as the substance of value deriving from the private character of labour in capitalism. See also Carchedi (2009 and 2011a, pp. 60–74) for a similar argument. The debate on the nature of abstract labour has not been settled and has continued in more recent times. See Bonefeld 2010b and 2011a; Carchedi 2011b; Kicillof and Starosta 2011.

no specifically capitalist character: 'merely congealed quantities of homogeneous human labour, i.e. of human labour power expended without regard to the form of its expenditure'.[43] But it is evident that in any form of society, human beings objectified their subjective labour power and that that process of objectification entailed both a concrete or particular character and an abstract or general one. Thus far, then, this stage of the analytic process does *not* show *why* this generic materiality takes the objectified social form of value. It does not even tell us *what* is the historical form of social labour which is determined as value-producing. It *only* tells us *what* is the *material* determination of that which in capitalist society is *socially* represented in the form of value. This is the reason why Marx still carries on with the analytic search for the '*formal determinants* that it contains as a commodity and which stamp it as a commodity'.[44] This leads Marx's dialectical analysis to give closer scrutiny to the labour that produces commodities. As any attentive reader could tell, the analytic process continues and only in the section on the dual character of labour does Marx finally find the historically specific form of social labour that produces commodities and, hence, value.

In effect, Marx observes that the individual commodity he is analysing is only one among many within a totality of different commodities. But the same follows for the particular labours that underlie the varied use values taking the commodity form. In other words, Marx points out that generalised commodity production presupposes the existence of an extended social division of labour and that the latter, as the 'totality of varying deployments of useful labour', is an 'eternal necessity of nature for the sake of mediating the material interchange between man and nature (i.e. human life)'.[45] On the other hand, this analysis also makes clear that the reverse relationship does not hold, that is, the division of labour must not necessarily take the social form of the production of commodities. The formal determination of the commodity must therefore spring from the specific social form taken by the organisation of the division of labour in our present-day society. The commodity, Marx eventually concludes, is the objectification 'of mutually independent acts of labour, performed in isolation'.[46] In other words, it is the 'labour of private individuals who work independently of each other',[47] or *private and independent labour*,

43 Marx 1976g, p. 128.

44 Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

45 Marx 1976e, p. 12.

46 Marx 1976g, p. 131.

47 Marx 1976g, p. 165.

which constitutes the specifically capitalist form of labour or productive activity. In this social form of the human life process, the producer has the full conscious productive capacity to control the individual character of her/his labour, but cannot recognise and organise (i.e. she/he is unconscious about) the social determinations of human individuality. Hence the inversion of those social powers into an attribute of the product of labour, namely, the value form. The analytic process completes the search for the specific determinations of the value form by revealing that the attribute of general exchangeability of the commodity springs from the abstract or general character of socially necessary *privately performed* labour materialised in it. The value form, then, becomes known in its essential determination as the *objectified or reified expression of the social character of the individual labour of private and independent producers*. Its objectivity is thus revealed to be wholly social, without an atom of 'matter' entering into it.[48]

The Synthetic Phase of Reproduction Proper

It is only now that the synthetic stage of the presentation begins. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' social form – as a sheer external object – and the exposition starts to follow its self-movement as the subject of the development of those determinations – previously discovered through analysis – into its more concrete forms.[49] This is subtly indicated by Marx at the end of his discussion of the qualitative determinations of the relative form of value.

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48 Marx 1976g, p. 138.

49 Iñigo Carrera 2008, p. 321. In a recent article, Arthur (2004a, pp. 41–2) also acknowledges this important aspect of Marx's presentation. However, he still maintains that Marx failed to provide in Chapter 1 an adequate explanation for the determination of abstract labour as the substance of value and should have postponed the introduction of abstract labour until the level of abstraction of the capital form. See also Arthur 2005, p. 119. The shortcoming of this view – also shared by Lapavitsas (2005) and Campbell (2013), the latter following Reichelt (2007) – is that it leads to a formalistic understanding of the value form, which obscures the very question that the latter, in its own reified way, is meant to solve: the establishment of the material unity of social labour when it takes the form of private labour (Brown 2008). This idiosyncratic separation of the form of value from its substance at the level of the commodity form had already been advanced by Itoh (1988). See Clarke (1989), for a critique of Itoh's radical separation of the theory of the form of value and the theory of the substance of value.

> We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it enters into association with another commodity, the coat. Only it reveals its thoughts in a language with which it alone is familiar, the language of commodities. In order to tell us that labour creates its own value in its abstract quality of being human labour, it says that the coat, in so far as it counts as its equal, i.e. is value, consists of the same labour as it does itself. In order to inform us that its sublime objectivity as value differs from its stiff and starchy existence as a body, it says that value has the appearance of a coat, and consequently that in so far as the linen itself is an object of value [*Wertding*], it and the coat are as like as two peas.[50]

The unfolding of this movement spoken 'in the language of commodities' is precisely what the subsequent synthetic stage of the presentation consists of. Being a *purely social* power of the commodity, value cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange value as its necessary form of appearance. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money form.

It is in the course of the synthetic movement of this development, when seen from the point of view of its *qualitative content*, that the answer to the 'why' questions which the analytic stage was unable to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing.

In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity form of

50 Marx 1976g, pp. 143–4.

the product of labour is meant to solve. I am referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why private labour must produce value.[51]

As the other side of its two-step analytic discovery, the synthetic ideal reproduction of the determinations of the value form comprises two aspects, each one corresponding, respectively, to the second and third peculiarities of the

51 In the Second Edition of *Capital* and the 'Value form' appendix to the First Edition, Marx develops all the peculiarities of the equivalent form as part of his discussion of the *simple* form of value. By contrast, in the First Edition, the second and third peculiarities are developed in the context of the 'reversed' form of the expanded form of value, an intermediate step which Marx did not include in the Second Edition, where he directly jumped from the expanded form of value to the general form. I think that, for my purpose here, the presentation of the First Edition is clearer. In effect, as Marx himself notes (Marx 1976e, p. 26), the solution to the problem at stake (the establishment of the unity of social labour) is revealed only when the expression of value acquires its plenitude as the form of general exchangeability by relating through the value form the universe of all existing commodities. This only occurs with the general form of value (although a defective – because it is not unified – manifestation, is already found in the expanded form). That is why I shall follow the presentation of the First Edition. On the other hand, there might be a strong reason why Marx decided to move the peculiarities of the equivalent form to the simple expression of value. In a nutshell, the point is that for the presentation of the unfolding of the specific content of the *qualitative* determination involved in the expression of value, its simple form suffices. That is why Marx states that 'the whole mystery of the form of value lies hidden in this simple form' (Marx 1976g, p. 139). The *further* formal unfolding of the more developed expressions of value only entails *quantitative* differences within that very same *qualitative determination* (Iñigo Carrera 2013). Certainly, that purely *formal* construction *helps* the comprehension of the qualitative determination entailed in the form of value by making explicit aspects of the former which are not *immediately visible* in the simple form. But no novel *quality* is unfolded. In this sense, and contrary to the claims of some scholars (Robles Báez 1997), the expansion and inversion of the simple form of value does not entail, properly speaking, any 'dialectical' or immanent self-movement. It is only a wholly formal (hence extrinsic) *representation*, which involves a *quantitative generalisation* of the qualitative determination already *fully realised* in the simple form. Incidentally, this illustrates what is the role of *formal logic* within dialectical knowledge, namely, the *representation* of the (necessarily external) determinations of quantity, that is, of 'difference determined as indifference' (Iñigo Carrera 2008, pp. 269–70). In the words of Hegel, 'a being that is indifferent with regard to determinacy' (Hegel 1991, p. 157).

equivalent form. The first one – whereby the concrete labour that produces the particular commodity acting as general equivalent becomes the form of manifestation of the general character of human labour – shows, precisely, why that material expenditure of labour power has to act as the social form of labour, i.e. why it is that *abstract* labour is the substance of value. The second one – whereby the private labour that produces the equivalent commodity becomes the immediate incarnation of directly social labour – in turn makes it evident why private labour must produce value at all.

In effect, through the general expression of value, all commodities relate to each other as possessing an identical social essence as exchangeable things in the same magnitude. In other words, albeit in a mediated form that reflects their social form of value as the immediate attribute of the general equivalent, their social relation of general exchangeability achieves its unity. But since they are only values as expressions of the same common social substance, i.e. abstract labour, the unity of the expression of value puts us before the unity of *undifferentiated* human labour. In determining the concrete labour that produced the equivalent as the immediate mode of appearance of abstract human labour, now the social relation between commodities itself makes plain that the different concrete labours that produced them are but different ways in which the total labour power of society has been expended. Those varied useful labours now show themselves to be what they actually are: differentiations of the expenditure of human labour power or determinate modes in which the human body has been productively exerted. In this 'roundabout way', as Marx puts it, the development of exchange value confronts us with the generic problem that any society must confront, namely, *the social regulation of the differentiation of human labour*, which 'is capable of receiving each and every determination … but is undetermined just in and for itself',[52] and which is necessary for the reproduction of human life. The exposition of the dialectical analysis of the commodity had already discovered that a commodity-producing society presupposed an extended division of labour. Now we can see that the materialised social relation itself – the value form – *affirms itself as the mediator* in the articulation of that division of labour, i.e. in establishing the relation between different labours as organic specifications of human labour in general.

> As *values* the commodities *are* expressions of the *same unity*, of abstract human labour. In the form of *exchange value* they *appear* to one another

52 Marx 1976e, p. 20.

> *as values and relate* themselves to one another *as values*. They thereby relate themselves at the same time to abstract labour as their *common social substance*. Their *social relationship* consists exclusively in counting with respect to one another as expressions of this social substance of theirs which differs only quantitatively, but which is qualitatively equal and hence replaceable and interchangeable with one another … It is only the kind of thing that can turn mere objects of use into *commodities* and hence into a *social* rapport. But this is just what *value* is. The *form* in which the commodities *count* to one another as values – as coagulations of human labour – is consequently their *social form*.[53]

The necessity of abstract labour as the substance of value thus becomes finally unfolded. Abstract labour is the substance of value not because a logical argument says that it is the common property of commodities we were searching for in the name of sound principles of logic. Abstract labour becomes determined as the substance of value because *in reality* the latter is the objectified social form that mediates the organisation of that purely material expenditure of the human body into its different concrete forms across society. Given that the latter is what the value form mediates, what else could be represented in that objectified form? On the other hand, it is self-evident that abstract labour does not cease to be a generic material form because of this determination as the substance of value. Hence, as stated above, the determination of labour as abstract labour is not the reason behind its existence as value-producing labour. What is specific to capitalist society is that this purely material form negates itself as simply such so as to become affirmed as the producer of the (objectified) general social relation.[54] Once objectified, the generic *materiality* of the abstract character of labour plays a particular social role in the process of social metabolism by being represented as the *social objectivity of value*.

> The commodities' social form is their relationship to one another as *equal labour*; hence – since the equality of *toto coelo* [utterly] different labours can only consist in an *abstraction from their inequality* – their relationship to one another as *human labour* in general: expenditures of human labour power, which is what all human labours – whatever their content or mode of operation – actually *are*. In each social form of labour, the labours of

53 Marx 1976e, pp. 28–9.

54 Kicillof and Starosta 2007a, 2007b and 2011; Iñigo Carrera 2008, pp. 340–1.

> different individuals are related to one another as human labours too, but in this case this *relating itself* counts as the *specifically social form* of the labours.[55]

To recapitulate, thus far I have discussed how the formal development of exchange value, and in particular the unfolding of the determinations of the second peculiarity of the equivalent-form, contains the account of the reason why *abstract labour* is the substance of value. What still remains to be answered is why this general material character of the expenditure of human labour power becomes *substance of value*. In other words, we have to see why human productive activity becomes determined in capitalist society as value-producing, the second step in the synthetic movement referred to above.

The answer to this question follows from the third peculiarity of the equivalent form. In effect, as the social incarnation of human labour in general, the concrete labour that produces the equivalent acquires in its immediacy the form of equality with respect to the other concrete useful labours. In this form of immediate identity with every other concrete labour, the labour that materialises in the general equivalent is *immediately social*, whilst the useful labours producing the rest of commodities remain *not-immediately social*. Thus the development of the expression of value in the form of exchange value puts us before the reason why the organisation of the division of labour must necessarily be mediated in this reified form or, what is the same, why commodity-producing labour is essentially value-producing. Although materially dependent upon one another as part of the 'primordial system of the division of labour', this irreducibly social character of *private labours* is not immediately manifested when they are actually objectified in the direct process of production. Hence, this necessary social articulation of private labours is realised through the mediation of the exchange of the products of private labour as commodities. Only at that moment is the question of whether the expenditure of the portion of social labour which each producer personifies is socially useful able to be answered. This is the reason why the social character of the privately performed individual productive activities is specifically represented as a determinate objective attribute of the products of labour: the form of their general exchangeability or their value form. The basis of this reified social mediation thus resides in the fact that the unity of social labour is manifested, as Marx puts it in the *Grundrisse*, only *post festum*, through the exchange of the products of

55 Marx 1976e, p. 32.

labour.[56] Furthermore, the unity of social labour thus becomes socially represented in the form of the particular private product that the rest of commodities separate as their general equivalent and which eventually ossifies in the money form. In tracing the genesis of the latter through the ideal reproduction of the expression of value, the synthetic stage of the dialectical exposition thereby positively unfolds the determinations of that which the analytic process could only *point out*. Namely, that the value form of the product of labour is the materialised general social relation of human beings in the capitalist mode of production and, therefore, the *social subject* of the *form* taken by the social process of production of human life in this historical stage of its development.[57]

Only at this juncture does Marx introduce the fundamental discussion of the fetish character of commodities. The question that immediately arises, and which is hardly addressed in the literature, is why only and precisely then? I think that the answer to this question is inseparable from the issue about the determinate content of the section on commodity fetishism and its place in the overall structure of Marx's exposition in *Capital*. The aim of the next chapter, then, is to proceed to deal with these questions. Again, I will show that only through a proper grasp of the dialectical method can the full implications and significance of Marx's account of commodity fetishism be uncovered.

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56 Marx 1993, p. 172.

57 We shall see that in becoming capital, the materialised social relation of private and independent individuals is constituted as the social subject of the form *and content* of the process of production of human life.

Which 'Rational Kernel'? Which 'Mystical Shell'? A Contribution to the Debate on the Connection between Hegel's *Logic* and Marx's *Capital*

Gastón Caligaris and Guido Starosta

1 The Issue at Stake

The question about Hegel's legacy in the Marxian critique of political economy has been one of the most widely debated issues within the history of Marxist thought. In recent decades, a new strand of scholarly work has emerged which has radically challenged the 'received wisdom' about the 'Hegel–Marx connection'.[1] Usually grouped under the 'systematic dialectic' label, this novel assessment of the intellectual relationship between the two German thinkers has decisively broken with the orthodox views of Diamat as epitomised in Stalin[2] and official Soviet manuals, which in turn drew direct inspiration from the classical works of Engels,[3] Plekhanov[4] and Lenin.[5] On the other hand, this new critique has also provided an alternative to the views associated with the so-called 'Western Marxist' tradition, whose interest in the recovery of the Hegelian lineage in Marx's thought fundamentally centred on reinstating the rôle of subjectivity against the crude objectivism and economism of Diamat.

This more recent strand of research has focused on the *methodological* relevance of Hegel's thought for the development of the Marxian critique of political economy. More specifically, whereas in earlier studies the emphasis was mainly on the relationship between Hegel's *Phenomenology of Spirit* and the 'young Marx', this more recent literature has focused on the links between *Capital* and Hegel's *Science of Logic*. Although there are various particular controversies over the precise nature of this connection, most contributions agree that the structure of the argument in *Capital* is organised in a dialectical form which, at the very least, can be said to draw formal inspiration from the general form of movement of categories that Hegel deploys in his *Logic*. Thus Marx's

1 See, for instance, Murray 1988, Reuten and Williams 1989, Smith 1990, Moseley 1993b, Moseley and Campbell 1997, and Arthur 2002.

2 Stalin 1947 [1938].

3 Engels 1987a [1877], 1987b [1872–82] and 1991 [1886].

4 Plekhanov 1965 [1891], and 1976 [1895].

5 Lenin 1977 [1908], and 1976 [1895–1916].

presentation is seen as involving a (synthetic) movement from the more abstract or simple form-determinations of the subject-matter (namely, capital) to the increasingly more concrete or complex forms in which it moves and eventually manifests in 'empirical' reality, thereby culminating in the intellectual reproduction of capital as the unity of those many determinations. Inasmuch as the transition from one economic form to the next is seen as being driven by the development of the contradictions immanent in each of them, their relationship is generally deemed as internal and grounded in dialectical necessity, in contrast with the externality that inevitably results from the use of formal logic.

Now, beyond this general consensus within the 'systematic dialectic' literature, two broadly defined approaches can be identified.[6] Firstly, there is the group of authors who examine the Hegel–Marx connection through the so-called 'homology-thesis'. Perhaps the most emblematic contribution from this perspective can be found in the work of Chris Arthur,[7] who argues for the existence of a very close '*homology* between the structure of Hegel's *Logic* and Marx's *Capital*'.[8] According to this approach, a strict mapping of most categories of the *Science of Logic* onto the systematic presentation in *Capital* is possible (and actually illuminating), 'because capital is a very peculiar object, grounded in a process of real abstraction in exchange in much the same way as Hegel's dissolution and reconstruction of reality is predicated on the abstractive power of thought'.[9]

The second strand within the 'systematic dialectic' literature consists in a materialist reading of Hegel's work in general and the *Logic* in particular. Tony Smith's work is perhaps the most representative of this perspective.[10] The essential point made by Smith is that Hegel's dialectical method *fully* coincides with Marx's, notwithstanding the latter's repeated remarks to the contrary throughout his lifetime. The *Logic* is thus read as a systematic-dialectical exposition of the fundamental ontological structures of real material being, that is, as a 'materialist ontology'.[11] The relevance of the *Logic* thus derives from providing the basic categories that are needed to capture the 'intelligibility' of the material world.[12]

In sum, whereas for Arthur's approach the content of the *Logic* is *purely and absolutely idealist*, according to Smith's interpretation it is *sheer materialism*.

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6 See Riccardo Bellofiore in this volume, pp. 167–72.

7 Arthur 2002.

8 Arthur 2002, p. 7.

9 Arthur 2002, p. 8.

10 Smith 1990.

11 Smith 1990, p. 8.

12 Smith 1990, p. 5.

Whereas for Arthur's homology-thesis the *Logic* can shed light on capitalist social forms only, for Smith's Hegel-as-materialist reading its field of 'applicability' or relevance is broader and could in principle include non-capitalist social forms and natural forms as well. Finally, whereas according to Arthur the Marxian critique of political economy can benefit from the discovery of homologous logical forms implicit in the inner connection between the different form-determinations of capital, for Smith the question is rather that of becoming aware of the general ontological structures that organise the systematic ordering of economic categories.

Now, this debate about the significance of the *Logic* for the critique of political economy can be reframed in terms of Marx's well-known explicit statement about the relationship between his dialectical method and Hegel's: the key issue at stake seems to be the establishment of the precise nature of the rational kernel within the (allegedly) mystical shell.[13] This chapter attempts to contribute to the debate by providing an alternative perspective on the connection between Hegel's *Logic* and Marx's *Capital* to the two just sketched out above. Drawing on Juan Iñigo Carrera's work on the relationship between the dialectical method and the critique of political economy,[14] we shall argue that the methodological and scientific significance of the *Logic* – the 'rational kernel' – does not come down to offering the purely logical form of capital's peculiar inverted ontology. Here we tend broadly to concur with Smith's critique of the homology-thesis. However, *contra* Smith, we shall also show that the content of the *Logic* cannot be simply taken over for a Marxian 'systematic dialectic'. As we shall see, the 'mystical shell' affects the very structure of Hegel's book.

2 Marxists on *Science of Logic*'s Rational Kernel and Mystical Shell

In the founding works of Diamat, the *Logic* is usually taken as containing 'the fundamental laws of dialectics', which are then to be applied to more concrete objects such as history, capitalism, and so on. It is thus argued that Hegel would have discovered those laws but 'in his idealist fashion as mere laws of thought'.[15] In so far as those texts do not offer any substantive critique of the specific content developed in the *Logic* (which in many cases they simply reproduce almost word by word), it must be assumed that for this reading the rational

13 Marx 1983a, p. 248, and Marx 1976c [1867], p. 103.

14 Iñigo Carrera 1992, 2007, 2013, and in this volume.

15 Engels 1987b [1872–82], p. 356.

kernel consists in the dialectical unfolding of the logical categories just as is presented by Hegel. For its part, the mystical shell is seen in Hegel's claim that the subject of those different logical forms is not the real human being 'reflecting' in his brain the structure and movement of matter or nature, but the 'Absolute Idea'. This position is nicely expressed by Lenin's famous aphorism: the question is how to 'read Hegel materialistically . . . that is to say . . . cast aside for the most part God, the Absolute, the Pure Idea, etc.'[16] It would seem, then, that the matter comes down to the substitution of a materialist terminology for Hegel's idealist one, that is, replacing the term 'Idea' with the word 'matter'.

This orthodox interpretation has been challenged from two opposing perspectives. The first one submits that uncritically appropriating the systematic-dialectical method unfolded in the *Logic* necessarily involves accepting Hegel's absolute idealism. In this sense, there simply is no rational kernel to discover. At the other end, some authors argue that the *Logic* does not deal with any metaphysical super-subject, but only unfolds systematically all the necessary categories for making intelligible the more abstract ontological structures of the material world. As a consequence, this reading tends to conclude that there actually is no mystical shell. Hegel's *Logic* is therefore seen as all rational kernel from beginning to end.

Lucio Colletti's influential *Marxism and Hegel* is a good illustration of the first perspective.[17] According to this author's provocative thesis, the main achievement of Hegel's *Logic* is to offer, for the first time in the history of philosophy, a solid exposition and justification of 'idealism in a logically coherent fashion'.[18] And it does this precisely by resorting to the dialectical method. Colletti makes his case by critically examining the dialectic of the finite and the infinite that Hegel develops in the 'Logic of Being'. In this reading, the demonstration of the contradictory character of the finite contained in those pages constitutes a key moment in Hegel's speculative philosophy, since 'finitude is the most stubborn category of the understanding'.[19] The reason for this speculative significance is that in the finite the understanding grasps 'the negation as *fixed in itself*, and it therefore stands in abrupt contrast to its affirmative',[20] that is, the infinite. In sticking to the fixity of finite being, that is, in denying the dissolution of the finite or the 'ceasing to be of the ceasing-to-be',[21] the under-

16 Lenin 1976 [1895–1916], p. 104.

17 Colletti 1973 [1969].

18 Colletti 1973 [1969], p. 8.

19 Hegel 1999 [1812–16], p. 129.

20 Hegel 1999 [1812–16], p. 130.

21 Hegel 1999 [1812–16], pp. 130–1.

standing can only grasp it 'as irreconcilable with the infinite'[22] and, hence, condemns the mediation between them to failure. On the contrary, with the awareness of the contradictory character of the finite and its resulting 'ontological instability', Hegel is able to reveal how the finite, through its own immanent dialectic, passes over into the infinite. In this way, he overcomes the radical opposition between them, a task which the understanding is unable to achieve. However, Colletti's argument goes on, Hegel can only succeed at this by condemning the finite to unreality or ideality. In other words, Hegel can provide a rationally coherent speculative mediation of the finite and the infinite by reducing the former to a vanishing moment of the latter's process, which alone possesses 'true' reality. On the other hand, Colletti points out that for Hegel only thought has universality and infinity. The dialectic of the finite is thus equated by Hegel to the 'annihilation of matter'. Thus Colletti concludes that this demonstration of the dialectical or self-contradictory character of finite being must of necessity entail absolute idealism, since the sensuous material world (the finite) is conceived as a mode of existence of thought (the infinite). The dialectical method, that is, the conception according to which 'everything finite is alterable and perishable' and 'being implicitly the other of itself, is driven beyond what it immediately is and overturns into its opposite',[23] is for Colletti inherently idealistic.[24]

Now, if we examine more closely the dialectic of the finite in *Science of Logic*, it becomes clear that, *pace* Colletti, those pages do not develop a demonstration of the ideal character of the sensuous material world and therefore do not provide the key argument for the idealist nature of Hegel's system.[25] The only thing that Hegel is proving there is the fact that things are 'finite' means that they carry within themselves the necessity of their own negation. Consequently, they cannot be properly grasped if represented as self-subsistent entities or immediate (or unmediated) affirmations. Instead, things or objects need to be grasped as *self-moving*, that is, as *subjects* of their own qualitative transformation into another 'finite' form. An object thus realises its own qualitative determination by becoming another, that is, through *self-mediation*. This is, in our view, all that Hegel is trying to expound in those pages: real forms of 'being' affirm through self-negation. It is in that specific sense that according to him reality is the *movement of contradiction*. To put it differently, Hegel's point in those pages is just to say that the true infinite is nothing but the immanent *self*-movement of the finite, which it affirms through self-negation. Colletti's

22 Hegel 1999 [1812–16], p. 130.

23 Hegel 1991 [1817], p. 130.

24 Colletti 1973 [1969], pp. 14–15.

25 See Houlgate 2005, p. 429.

reading of those texts, which conflates Hegel's *systematic exposition* and his indisputably idealist remarks in the *addendum*, leads him to throw the baby out with the bath-water.

Thus, Hegel's insight into the self-moving nature of real forms, which constitutes his great scientific discovery and thus the rational kernel to be found in the *Logic*, is not inherently tied to his absolute idealism. In fact, following Iñigo Carrera,[26] one could argue that the opposite is the case. In other words, it is the rejection of that Hegelian discovery that inevitably leads to an idealist representation of reality. In effect, when real forms are represented as devoid of any immanent necessity driving them to self-movement, forms of 'being' are reduced to lifeless abstractions which can only be put into *external* relation with each other by means of subjective reflection. An unbridgeable gap between knowledge and reality is bound to emerge. As a consequence, the relations between objects that are then established through the act of cognition (that is, the theoretical construct) must inevitably remain alien to the immanent nature of things themselves. In this way, although ideas are not believed to 'produce' reality by this train of thought, it follows that they do bestow movement upon real forms (thereby determining the nature of their mutual relations). Conversely, only when things are grasped as bearers of an intrinsic objective potentiality for self-movement does it make sense to raise the question of the ideal reproduction of the 'immanent life' of the subject-matter.

This last point can perhaps serve us to bring out more clearly the difference between Colletti's ultimately Kantian perspective and Marx's materialist-dialectical method. Colletti, in a truly Kantian fashion, saw more abstract determinations of objects as merely subjective ideas that help organise a given, immediately-perceived content, of which alone he is ready to predicate materiality and sensuousness.[27] By contrast, Marx considered the non-immediately perceptible, more abstract determinations of real forms as *objective*, even if cognised only by means of thought. On this particular point, Marx was fundamentally in agreement with Hegel although, as we shall see in the next section, he did consider that such rational insight was presented in the *Logic* within a mystical shell.

Let us now turn to the other position on the rational kernel and mystical shell in Hegel's *Logic*, which can be found in the aforementioned work of Tony Smith. According to the argument put forward in his book *The Logic of Marx's*

26 Iñigo Carrera 2013.

27 Strictly speaking, Colletti does recognise the objectivity of abstract forms, but only for capitalism, whose 'social ontology' gives rise to a suprasensible 'world of abstractions' (Colletti 1973 [1969], p. 227ff). Here he anticipates some of Arthur's ideas.

'Capital', Hegel's *Logic* deals with the fundamental categories of thought that are necessary to grasp the inner intelligibility of reality. In this treatment of logical categories, Smith argues, Hegel 'derive[s] three general types of categorial structures', one of 'simple unity', another of 'difference' and, finally, another of 'unity in difference'.[28] Moreover, in so far as those categorial structures are immanently and contradictorily connected, it is possible to 'construct a systematic theory of categories by employing the dialectical method'.[29]

In this reading, the *Logic* turns out to be entirely 'compatible with Marx's materialist ontology',[30] so that there is no reason to reject it for its idealism. Moreover, the alleged ground of Hegel's idealism cannot even be found where Marx himself thought it could be located, that is, towards the end of the categorial construction, at the point where Hegel unfolds the transition to the realm of nature and of human spirit as the self-negating action of the Absolute Idea. According to Smith, in those passages Hegel 'is indulging in picture-thinking, in imaginative representations that on his own terms belong on a pre-philosophical level',[31] a form of expression that he was compelled to resort to in order to make his philosophy appealing to a mainly Christian readership.

Now, if we set aside the thorny question of textual support for this reading, Smith's interpretation would indeed be plausible and, if correct, would certainly free Hegel's philosophy from charges of absolute idealism. However, this would not automatically turn Hegel into a materialist in Marx's specific sense. In order to prove this, a different kind of argument would be needed. Above all, proof should be provided that the structure of real material being actually coincides with the structure of pure thought-forms presented in the *Logic*. Smith's further claim that the categories presented in that work 'are initially won in confrontation with the empirically given'[32] will not do either, since that is far from guaranteeing that the *systematic ordering* of those categories ideally reproduces the 'immanent life' of real material being. To put it differently, the question about the alleged materialist character of the *Logic* cannot be settled with evidence of Hegel's recognition of an objective reality existing outside thought. Instead, we think that the crux of the matter is whether the Hegelian systematic dialectic of logical forms correctly reproduces the more abstract determinations of material reality 'by means of thought'.

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28 Smith 1990, pp. 5–6.

29 Smith 1990, pp. 6, 13.

30 Smith 1990, p. 36.

31 Smith 1990, p. 11.

32 Smith 1990, p. 4.

As we intend to show in the next section, Hegel's systematic development in the *Logic* is inherently flawed as an ideal reproduction of the inner connection between the more abstract forms of material reality. In a nutshell, we argue that in so far as his systematic dialectic begins with the simplest *thought-form* (*that is, with a purely ideal or formal abstraction*), his subsequent derivation of categories is bound to follow the immanent necessity of 'pure thought' as such, which, we shall further submit, does not express the inner movement of the simpler determinations of 'real material being'. In this sense, we do think that the peculiar form given by Hegel to his systematic dialectic is immanently bound to an idealist standpoint, although for very different reasons from those put forward by Colletti. This does not mean that there is nothing to recover from Hegel's immanent development of thought-forms. It only means that those rational elements need to be carefully discovered within a presentation which is, by virtue of its idealist nature, structured in such a form and ridden with categories that would have no place in a materialist systematic dialectic. Seen in this light, the main problem with Smith's perspective is not that his materialist reading of Hegel is not convincing. Rather, the key issue is that he takes over from Hegel a systematic dialectic which is quite simply flawed. As a consequence, alongside the 'rational kernel', he cannot but carry over the 'mystical shell'.

3 The Rational Kernel and Mystical Shell in Hegel's *Logic*

Abstraction versus Analysis

The starting point of the *Logic* is 'pure being' as thoroughly 'empty thinking'.[33] In other words, the book begins with being as a *thought-form* or the *thought of being*. The profound meaning and broader significance of this peculiar point of departure in Hegel's philosophy has been the subject of numerous controversies among commentators, particularly with regard to the connection between this category of thought and 'real being'. However, few scholars have actually taken Hegel to task for beginning his systematic dialectic with a thought-form. We shall consider below the implications that this point of departure has for the main theme of this chapter, namely, the rational kernel and mystical shell to be found in the *Logic*. For the moment, let us first critically examine the methodological procedure that is presupposed by Hegel's discovery of 'pure being' as the simplest category that sets into motion the subsequent dialectical unfolding of logical forms.

33 Hegel 1999 [1812–16], p. 82.

Hegel's choice of categorial starting point and the procedure by which he arrives at it follows from his idea that true speculative philosophy must involve *presuppositionless thinking*.[34] The 'beginning', he states, 'must be an *absolute*, or what is synonymous here, an *abstract* beginning; and so it *may not presuppose anything*'.[35] 'Strictly speaking', he further argues in the *Encyclopaedia*, 'this requirement is fulfilled by the freedom that abstracts from everything, and grasps its pure abstraction, the simplicity of thinking'.[36] More concretely, the procedure through which one can arrive at this pure abstraction consists in casting aside any thought that entails a certain complexity or concreteness, that is, any thought whose content presupposes the existence of any other thought. At this juncture, one could of course object that such an elementary abstraction would not have been reached on properly scientific grounds, that is, that it would be the result of a purely formal procedure that does not guarantee that we have actually reflected the immanent life of the subject-matter under consideration. In other words, this category would be a purely *formal abstraction* resulting from an act of subjective reflection that remains external to the object of cognition. Indeed, Hegel's retrospective discussion of the beginning of science in the section on the Absolute Idea speaks to this issue: the simplest category constituting the point of departure of his *Logic* is depicted as an 'abstract universal', which is said to be arrived at by *abstracting from* all determinacy.[37] In other words, pure being, as the category that sets into motion the (synthetic) movement of the *Logic*, is a category akin to those of the 'understanding' or 'representational thought', that is, one which only grasps objects one-sidedly in terms of their abstract self-identity.[38] In fact, as Carlson suggests, it could be said that it is actually the understanding that undertakes the act of abstraction and not speculative thought as such.[39] In this sense, Hegel saw the specificity of his 'absolute method' as essentially residing in the synthetic moment, that is, in the reconstitution of the unity of the different moments of the totality through a movement from its most abstract thought-form (pure Being) to its most concrete (the Absolute Idea).[40] Thus, he did not seem to recognise anything specifically speculative in the procedure through which the simplest category is arrived at, that is, in the reverse

34 Houlgate 2005, p. 29ff.

35 Hegel 1999 [1812–16], p. 70.

36 Hegel 1991 [1817], p. 124.

37 Hegel 1999 [1812–16], pp. 69–72, 827–9.

38 Hegel 1999 [1812–16], pp. 795ff, 828.

39 Carlson 2007, pp. 27–8.

40 Hegel 1999 [1812–16], pp. 830–1, 838.

movement from the concrete to the abstract which the synthetic phase of systematic science presupposes.

Still, for Hegel such a discussion of the nature of the act of abstracting is immaterial at the initial stage of the investigation, since, strictly speaking, science proper has not actually begun. As he puts it some pages later in the *Logic*, '[w]hen being is taken in this simplicity and immediacy, the recollection that it is the result of complete abstraction . . . is left behind, outside the science'.[41] As a contemporary Hegel scholar nicely puts it, in order to remain firmly on the path to a science without presuppositions, 'we must even abstract from and set aside – indeed deliberately forget – the very fact that pure being is the product of abstraction'.[42] Indeed, *once the standpoint of 'absolute knowing' is adopted*, and therefore *thought* as such is taken to be the legitimate immediate object of the investigation, the scientifically poor nature of the procedure through which its simplest category has been grasped (that is, the relative poverty of formal abstraction) does not compromise the validity of the subsequent dialectical unfolding that 'pure Being' sets into motion. Thus, regardless of the procedure used, the essential point is that in this process the speculative thinker has never abandoned his/her 'object-realm', namely, pure thought. In this sense, as long as (some version of) the identity of thought and being reached in the *Phenomenology of Spirit* is taken on board, Hegel's argument is perfectly coherent on this score, although, as we argue below, it is still inherently tied to his idealism.

However, matters are very different from a materialist standpoint. From this perspective, the method of formal abstraction as the prelude to synthetic development is rather problematic. In effect, when the immediate object of the act of cognition is not thought of as an existing form of 'material being', the formal abstraction resulting from arbitrarily casting aside all specific determinations inevitably takes us rather far from, and actually outside, the very 'object-realm' that we originally set about to cognise, namely, material reality. Following Marx's example in *The Poverty of Philosophy*,[43] if we abstract from the materials which make up a house, the result will be a purely ideal representation of a house with no materials, something which has no real referent, since there is no such thing in material reality. Hence, in abstracting from particular features of a concrete material object (a procedure that can be repeated as many times as the thinker wishes in order to find an ever simpler or more universal determination), we will no longer be dealing with really existing

41 Hegel 1999 [1812–16], p. 99.

42 Houlgate 2005, p. 87; Hegel 1999 [1812–16], p. 99.

43 Marx 1976b [1847], p. 163.

objects but with purely ideal or mental abstractions, that is, with 'pure thoughts'. On this basis, the subsequent reconstitution of the unity of the object cannot but result in a purely ideal construct, which will remain external to the object of cognition that constituted the starting point, and which only by chance will reproduce in thought 'the immanent life of the subject matter'. It follows from this that for a materialist, the consequence of using the method of formal abstraction is, if he/she does not wish to become a Hegelian idealist, the relapse into Kantian dualism, where the theoretical construct, no matter how internally consistent or coherent, will inevitably be radically separated from the real object of cognition.

This is why we think that a materialist engagement with Hegel's *Logic* cannot avoid the critique of the initial formal abstraction that sets into motion the whole systematic development. This is precisely the cornerstone of Feuerbach's foundational critique of Hegel, as the following passage from *Principles of the Philosophy of the Future* eloquently puts it. Hegelian philosophy, Feuerbach states:

> presupposes nothing; this is nothing more than to say that it abstracts from all objects given immediately . . . In short, it abstracts from everything from which it is possible to abstract without stopping to think [*sic*], and makes this act of abstraction from all objectivity the beginning of itself.[44]

A few years later, Marx would develop in *The Poverty of Philosophy* a critique of Hegel's idealist abstraction along clearly Feuerbachian lines.

> Is it surprising that everything, in the final abstraction – for we have here an abstraction, and not an analysis – presents itself as a logical category? . . . If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical category. Thus the metaphysicians who, in making these abstractions, think they are making analyses . . . are right in saying that things here below are embroideries of which the logical categories constitute the canvas.[45]

The significance of the latter passage for the purpose of our argument is that it brings to light Marx's alternative to Hegel's procedure of formal abstraction, namely *analysis*. Unfortunately, despite the stark contrast between abstraction

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44 Feuerbach 1986 [1843], p. 19.

45 Marx 1976b [1847], p. 163.

and analysis made in the text above, and the many occasions on which Marx highlights the important rôle of analysis as a necessary moment of his scientific method,[46] there is no place in his works where he fleshes out in any detail the specific form of the analytical process within his materialist 'systematic-dialectical' approach. Moreover, despite all the light that the recent works on Marx's method have cast on the form of his systematic argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (that is, on the exposition of the dialectical movement 'from the abstract to the concrete'), at the expense of an insufficient thematisation of the peculiar rôle of the phase of analysis in his dialectical investigation generally, and in his presentation in *Capital* in particular.[47] And yet, we would like to argue that it is of utmost importance to grasp the difference between materialist analysis and Hegel's idealist abstraction. True, many authors have highlighted the distinction between the abstractions of Marx's critique of political economy and those of conventional social science.[48] However, not so many have critically engaged with Hegel's abstracting procedure. More importantly, as Iñigo Carrera points out, most authors have overlooked that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified.[49] This difference in form not only applies to the synthetic or genetic phase as is usually assumed, but crucially pertains to the process of analysis as well.

Although Marx did not leave us any written formalisation of the specificity of materialist analysis, it is possible to grasp its concrete workings from the 'analysis of the commodity' contained in the opening pages of *Capital*.[50] As he explicitly states in the 'Marginal Notes on Adolph Wagner's *Lehrbuch der politischer Oekonomie*', this analysis takes as a point of departure neither the con-

46 Marx 1973 [1857–8], p. 100, and 1989, p. 500.

47 An outstanding exception can be found in the work of Iñigo Carrera (1992, 2007, 2013, and in this volume), on whose contribution we fundamentally draw.

48 See Gunn 1992, p. 17, Clarke 1991, p. 81ff, and Murray 1988, p. 121ff.

49 Iñigo Carrera 2013, p. 50ff.

50 Since it is in the synthetic phase only that the unfolding of the real movement or life of the subject-matter and hence the explanation actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form (Iñigo Carrera 1992, p. 41). However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* in general and in Chapter I in particular; this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process (Iñigo Carrera 1992, p. 46). In a context where Marx was presenting his materialist-dialectical method for the first time, his decision to include the analytical phase in the exposition might have played the rôle of bringing out its specificity *vis-à-vis* Hegel's idealist procedure.

cepts of political economy nor any concept whatsoever.[51] Instead, he starts with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society':[52] the *commodity in the form in which it appears*. From this starting point, Marx proceeds by taking the individual commodity 'in his own hand' and analysing 'the formal determinants that it contains as a commodity and which stamp it as a commodity'.[53]

These 'formal determinants' Marx initially discovers by looking at the use-value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour. As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[54] The next step in the analysis of exchangeability is the uncovering of the *more abstract form* (hence the *content*) behind that specific formal attribute of the commodity, this being the only way in which we can penetrate through the concrete form in which an immanent determination presents itself. Thus, the further analysis of the commodity reveals that exchange-value is actually the 'mode of expression' or 'form of manifestation' of a content distinguishable from it – value – the substance of which resides in the abstract labour congealed or materialised in it.

As is now widely acknowledged in the literature, the sequence at that particular stage of Marx's argument consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in those pages), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection.

As Iñigo Carrera points out, conventional scientific method analyses a concrete form by separating what repeats itself from what does not in order to arrive at a certain characteristic. In turn, this common attribute makes possible the mental construction of a definition of that concrete form as that which has this or that attribute.[55] On his part, Hegel's pure abstraction in the *Logic* proceeds by casting aside all particular features of objects (that is, all determinacy) in order to find through that one step the 'abstract universal' that constitutes its simplest element. Regardless of their differences, these two procedures have in common that they result in strictly mental abstractions or categories

51 Marx 2002 [1879/1881], p. 241.

52 Ibid.

53 Marx 1976c [1867], p. 1059.

54 Marx 1976c [1867], p. 126.

55 Iñigo Carrera 2013, pp. 50–1.

which, by their own nature as 'pure thoughts', cannot but remain external and alien to the forms of material reality. Conversely, dialectical thought analyses a concrete form by, first of all, facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative potentiality, that is, its real necessity. Thus the dialectical ideal appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. But neither does it operate by *abstracting from* every particular determination. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality.

While conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). Moreover, in contradistinction to Hegelian abstraction or conventional scientific analysis, Marx's dialectical analysis at no point leaves the terrain of the real. Both the immediate concrete form that he encounters and the relatively more abstract one discovered through analysis (the content) are wholly objective and real determinations of the object under scrutiny. This analytical procedure must be then renewed for those other more abstract forms, but now treated as the real concrete whose inner content the research is trying to uncover. Only once all those inner form-determinations have been discovered through analysis should the investigation undertake the 'return-journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.[56]

Ideal Reproduction of the Ideal versus Ideal Reproduction of the Concrete

Let us now return to the *thought of being* with which the *Logic* begins. As we have seen, this pure being is the product of total abstraction and, from a materialist standpoint, cannot be a real being; it can only exist as a *thought-form*. However, it could still be argued, as Smith does, that such thought of being is

56 Marx 1973 [1857–8], p. 100.

'isomorphic' with (hence reflects) real material being, so that there would be nothing problematic in unfolding the immanent life of the former as a substitute for the latter. If we took on board Hegel's characterisation of pure being as being that simply is, one could argue that the least that can be thought about any real object is that it is. Thus, according to this view the structure of ideal being would fully coincide with that of real being on this point.[57] However, nothing guarantees that the simplest (or rather poorest or emptiest) statement that we could utter 'to make an object intelligible' actually coincides with the simplest form in which a real concrete exists. In fact, as we suggest later on, the simplest form of existence of 'real material being' is not 'pure being'. In light of the previous section, we would be entitled to claim that the former and the latter coincide only *after* submitting an existing object to materialist analysis in the sense discussed above. In other words, only if after uncovering the respective content of each form-determination that we find *within* the real concrete under scrutiny, we encountered pure being as the simplest of them all, would it be scientifically correct to undertake the synthetic phase of reproduction with that 'category' as starting point. However, we have shown that this is not what Hegel actually did. And neither is it what those materialist readings of Hegel do.[58]

Still, if we further insisted on the isomorphic structure between the respective simplest forms of ideal and material being, the divergence between Hegel's idealist construction and material reality would re-emerge in the second step of the systematic unfolding of categories, namely, the passing over of pure being into pure nothing. If in the case of pure being there is at least the formal possibility that it ideally reflects the simplest determination of material being, in the case of pure nothing even that formal possibility should be ruled out from the outset. Indeed, from a materialist standpoint, the reality of pure nothing is simply meaningless. Thus, as Feuerbach's early critique sharply puts it, 'the opposition itself between being and nothingness exists only in the imagination, for being, of course, exists in reality – or rather it is the real itself – but nothingness, not-being, exists only in imagination and reflection'.[59]

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57 Houlgate 2005, pp. 140–2.

58 Smith's interpretation is a case in point. Despite correctly distinguishing between formal and real abstractions (Smith 1990, p. 60), he approvingly presents Hegel's 'analysis' as involving the 'appropriation of the results of empirical studies' undertaken by 'empirical sciences' (Smith 1990, p. 4); which is certainly different from the ideal appropriation of the real abstract forms of a given concrete object. As a matter of fact, those abstractions borrowed from empirical sciences have been constructed on the basis of the conventional scientific method. As argued above, they cannot but be purely formal or ideal.

59 Feuerbach 1983 [1839], p. 126.

Having ruled out the material existence of pure being and nothing, one could still search for the alleged correspondence between Hegel's *Logic* and material reality in the third moment of their dialectic, that is, in 'becoming'.[60] Thus considered, being and nothing could be said to be just analytical moments which are necessary to grasp the truly simplest logical category – becoming – which would at last reflect the simplest form of real material objects, being a subject that posits its own movement. If this were the case, one could conclude that, despite conceiving it as a movement of pure thought, Hegel would have managed to grasp the simplest content of real being. However, 'becoming' is for Hegel a category that is still quite far from fully expressing the constitutive contradiction of a self-determining or self-moving subject. In so far as Hegel's *Logic* unfolds the immanent necessity of thought as such, starting from its simplest (or rather emptiest) form, his categorial development needs to go through a long series of still more complex thought-forms before being able to express fully the said movement of contradiction that constitutes the simplest determination of real materiality.

In fact, the actual point at which Hegel's exposition eventually reaches a category that fully expresses the simple movement of a self-determining subject, comes quite a few pages and categories later. Specifically, this point is only reached with the category of 'being-for-self', where Hegel finally states that 'qualitative being finds its consummation' so that, therefore, we have at last arrived at 'absolutely determined being'.[61] However, from a materialist standpoint, this begs the question as to why cognition of the real concrete needs to go over those other imperfect forms of ideally expressing the simplest movement of material qualitative determination, which only grasp the latter in its outward or external manifestations: whether as an immediate affirmation (being) or as the extrinsic unity of two opposed immediate affirmations (determinate being). Indeed, one would be led to conclude that the unfolding of those categories is quite simply superfluous. In effect, from this perspective, the imperfect forms of ideally expressing the 'affirming through self-negation' are not *materially constitutive* of what this movement actually is.

Still, a final argument for a materialist reading of the categories preceding 'being-for-self' could state that their exposition corresponds to the *analytical process* of discovery of the category that is able fully to express the real movement of affirmation through self-negation. The problem with this line of reasoning is that according to Hegel's perspective, those poorer ways of conceiving qualitative being have the same status of objectivity as its fully-developed

60 Hegel 1999 [1812–16], p. 82.

61 Hegel 1999 [1812–16], p. 156.

shape. In this sense, the movement from these poorer forms of expressing qualitative being to its consummation in being-for-self is not seen by Hegel as essentially analytic but *synthetic*. In so far as the *Logic* unfolds the immanent necessity of 'pure thought' as such, the imperfect forms of thinking about this peculiar 'being' are as constitutive of this 'object-realm' as their perfectly developed modes of existence. Thus, it is entirely coherent for Hegel to include those categories in his systematic dialectic of thought-forms. However, the consequence of this is that any attempt to take over Hegel's *Logic* as a whole will take the mystical shell (that is, the whole series of superfluous imperfect categories that pure thought needs to posit before reaching the plenitude of its content) alongside the rational kernel (the category that eventually expresses the determination at stake in an adequate form).

It follows from this that a reading of the *Logic* from a materialist perspective cannot consist in just 'casting aside God, the Absolute, the Pure Idea, etc.' or in uncovering the logical structure articulating the systematic ordering of categories. For both the categories and the form of their unfolding are, from the very beginning, of an inherently idealist character. Instead, a materialist reading must consist in carefully recognising which real determinations could be reflected by Hegel at certain stages of his idealist systematic dialectic. Evidently, the recognition of those determinations can only take place *vis-à-vis* the actual knowledge of those simpler forms of material reality. Thus, strictly speaking, the issue at stake is not simply to read the *Logic* from a materialist perspective. The question is rather to appropriate its 'use-value' to *rewrite it materialistically*, that is, to unfold the simpler determinations of material reality in their inner connection. Needless to say, this obviously exceeds the scope of this chapter. Here we just offered a discussion of the point of departure of such a materialist appropriation of the rational kernel of Hegel's *Logic*, which we have identified with his category of 'being-for-self'.[62] Our aim in this section was thus much more modest; the point was simply to show the intrinsically idealist nature of Hegel's systematic development in order to shed light on its difference from Marx's materialist approach. Let us therefore elaborate further on this point, through an examination of the general form taken by Hegel's systematic unfolding of categories.

Towards the end of the *Logic* Hegel discusses this question explicitly. 'What is to be considered here as method', he states, 'is only the movement of the

62 On this we simply drew on the work of Iñigo Carrera, who fleshes out the discovery of the said point of departure – that is, affirming through self-negation of real material being – as strictly emerging as a result of materialist analysis in the sense discussed above (Iñigo Carrera 1992, pp. 3–5).

Notion itself... the *universal absolute activity*.'[63] However, this movement is not presented by Hegel as simply taking the generic form of affirmation through self-negation through which a self-determining subject realises its own immanent necessity. Instead, in so far as he conceives of it as a pure movement of thought striving for a fully developed mode of expressing its truth-content, he presents it as the unity of the *three moments* through which thought needs to pass in order to self-posit in such an adequate shape. Thus, he concludes, 'the whole form of the method is a triplicity'.[64] The movement of affirmation through self-negation, which as the simplest content of the 'immanent life' of any material object, constitutes the generic form taken by a materialist-dialectical unfolding, is represented by Hegel as the abstract sequence of an affirmation, a negation and, lastly, the negation of the negation. In other words, Hegel does not directly present the third moment, which is the only one that constitutes the effective material reality of the object. Instead, he firstly needs to posit the prior two 'imperfect' moments, which are just formal stages through which thought needs to go to grasp the 'truth' of the object, as if they were constitutive of the effective objective reality of the object itself. This 'triadic structure' of the absolute method, which derives from the idealist character of the Hegelian dialectic, is also eloquently criticised by Marx in *The Poverty of Philosophy*:

> So what is this absolute method? The abstraction of movement. What is the abstraction of movement? Movement in abstract condition. What is movement in abstract condition? The purely logical formula of movement or the movement of pure reason. Wherein does the movement of pure reason consist? In posing itself, opposing itself, composing itself; in formulating itself as thesis, antithesis, synthesis; or, yet, in affirming itself, negating itself, and negating its negation.[65]

In brief, what is rational in Hegel's dialectic, that is, its method of immanent development of the life of the subject-matter, appears inverted under the mystical form of the three moments of self-developing pure thought. Again, this mystical shell directly stems from the fact that Hegel's systematic dialectic does not ideally follow the immanent life of a concrete material object but an ideal one, namely pure thought. Hegel's 'mysticism' in the *Logic* therefore derives from being the *ideal reproduction of the ideal*. By contrast, in making

63 Hegel 1999 [1812–16], p. 826.

64 Hegel 1999 [1812–16], p. 836.

65 Marx 1976b [1847], p. 164.

analysis instead of abstraction, Marx's scientific method at no point leaves the concrete material object of investigation behind. No matter how abstract and far from its immediate sensuous existence the analytical process eventually takes him, *he remains firmly within the materiality of the object.* As a consequence, the moment of systematic synthetic unfolding cannot but be the 'reproduction of the concrete by means of thought'.

Among all the places where Marx expounds this kind of materialist ideal reproduction, it is also probably in the first chapter of *Capital* where it can be found with utmost clarity and in a more 'stylised' form. Specifically, this reproduction only starts in section III of Chapter I, entitled 'The value-form, or exchange-value'.[66] As argued elsewhere, strictly speaking the first two sections of that chapter are not part of the *synthetic* movement of the dialectical exposition but constitute its *analytical* prelude.[67] As we have seen, the analytic stage only separates a concrete form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage does not ideally reflect the immanent self-movement of the object under consideration. It is therefore not about the *why* but about the *what.* Evidently, since the apprehension of real forms according to their relative degree of abstractness or concreteness ideally expresses the objective necessity (the real relations) residing in the object and are not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. Thus, if the dialectical analysis reveals that the value-form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a 'pointing out', an external observation. The actual exposition of that inner connection between content and form – hence its explanation – takes place in the *synthetic* phase of *reproduction,* which faces the challenge of precisely showing that movement which the analysis was incapable of unfolding. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity, namely value. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' external object and the exposition starts to follow its self-movement as the subject of the development of

66 Marx 1976c [1867], p. 138.

67 See Starosta 2008 for a close examination of the structure of Marx's exposition in Chapter I of *Capital.* For a more detailed discussion of the methodological implications of Marx's ideal reproduction in general, see Iñigo Carrera 2007, 2013, and in this volume.

those determinations previously discovered through analysis into ever more concrete forms.[68]

The unfolding of this movement spoken in 'the language of commodities'[69] is precisely what the ideal reproduction consists of. Value being the purely social power of the commodity, it cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation of exchange between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use-value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange-value as its necessary form of manifestation. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity-form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money-form.

It is in the course of the movement of this reproduction, when seen from the point of view of its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing. In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity-form of the product of labour is meant to solve. We are referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money-form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent-form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why privately performed socially necessary labour must produce value.

Note, however, that the properly *dialectical* unfolding of the movement of this qualitative determination is, in essence, already achieved with the simple form of value. The subsequent passage to the other, more developed forms of

68 Iñigo Carrera, in this volume, p. 74ff.

69 Marx 1976c [1867], p. 143.

value is simply a formal movement that merely generalises and makes explicit the qualitative content already expressed in the simple form (namely, the immanent necessity for value to acquire an outward, differentiated mode of existence). In other, more polemic terms, the sequence of the more developed forms of value as such is not structured according to an immanent necessity of those forms. As Iñigo Carrera puts it, the sequence of forms of value 'does not imply a simpler form [of the exchange-relation] engendering a more concrete one. Instead, the unfolding of the former's necessity evidences the necessity of the existence of the latter.'[70] This is, we think, the actual meaning behind Marx's remark that 'the whole mystery of the form of value lies hidden in this simple form'.[71]

In light of this, we can now bring out a crucial difference between Marx's and Hegel's respective ideal reproductions. Specifically, Marx's ideal reproduction of the commodity-form simply follows the realisation of its immanent necessity to 'affirm' by developing a more concrete mode of existence as money (that is, through self-negation). However, unlike Hegel's idealist method of reproduction in the *Logic*, in order to do this Marx does not need to mediate this exposition with a prior positing of the inadequate forms in which *thought conceives of* those immanent determinations of the commodity which drive them to self-movement. For Marx, those inadequate conceptualisations of the inner determinations of the commodity are not *constitutive* of the objective reality of the commodity itself, and have therefore no place in the *systematic unfolding of its immanent life*. Instead, they are seen by Marx as (*fetishised*) *appearances* through which non-dialectical thought grasps those determinations in their sheer exteriority. In any case, those apparent relationships between real forms should have been already examined and *ruled out* by the investigation in the previous methodological phase of *analysis*. In Marx's presentation, when discussions of those essentially *ideological* scientific representations of real relations do occur, they tend to have status of an *external remark*, and are deliberately located *after* the immanent determination has been unfolded.

4 Conclusion

This chapter offered a contribution to the debate on the methodological connection between Hegel's *Logic* and Marx's *Capital* through a discussion of the

70 Iñigo Carrera, 2013, pp. 58–9.

71 Marx 1976c [1867], p. 139.

rational kernel and mystical shell found in the former. Very briefly put, our argument was that in that work Hegel managed to discover the simplest form of the real, namely, the movement of self-determination of the subject. As a consequence, he correctly presents the method of science as the systematic unfolding of the immanent life of the subject-matter. Against Colletti, we have argued that this is the rational kernel to be found in his work and it is not inherently tied to absolute idealism. However, instead of taking the simplest form of real material being as point of departure, his exposition begins with the simplest thought-form ('pure being'). The systematic dialectic that follows therefore inevitably unfolds a whole series of redundant categories which, from a materialist standpoint, correspond to the immanent necessity of pure thought only. In other words, they do not express any objective determination of real material being. This is the *Logic's* mystical shell.

We have also argued that an immediate reason behind that spurious starting point resides in his methodological procedure of 'extreme' formal abstraction, which arbitrarily casts aside all particular determination until reaching a wholly empty universal, namely, the *thought* of being. By contrast we have seen that Marx finds a materialist alternative to formal abstraction in dialectical *analysis*. Instead of the sheer abstraction from apparently contingent features of objects, Marx's analysis moves by searching for the real more abstract or simple content of the concrete form he is immediately facing. The procedure is then repeated by further analysing each of the relatively more abstract determinations discovered, until reaching the simplest immanent content of the initial concrete. Materialist analysis therefore remains firmly within the real object through and through.

Three main conclusions can be drawn from this with regard to the current debate on Marx's dialectical method in *Capital*. Firstly, in so far as the ideal reproduction of the concrete by means of thought needs to reflect ideally the *specific* immanent determinations of the subject-matter, this method does not proceed, as Diamat would have it, by *applying* the 'general laws of dialectics' or 'abstract logical structures' onto more concrete domains of knowledge. In this sense, the movement of affirmation through self-negation must not be turned into an absolute *general principle* that needs to be *applied* to *economic categories*. As the form of movement, the 'inner life', of the concrete object that we want to appropriate by means of thought, it has to be followed in its specific modes of existence and development. This is why, for instance, Marx's *Capital*, as a critique of political economy, is not (*pace* Engels) an application of dialectical logic to political economy, but the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence, namely, the commodity.

Secondly, the problem with Hegel's unfolding of categories in the *Logic* does not simply reside in his absolute idealism, but fundamentally in the methodological procedure by which he arrives at its point of departure and the form taken by the subsequent synthetic reconstitution of the unity of the immanent determinations of his object. In other words, even if we took on board Smith's point that Hegel considered the independent existence of an objective reality outside thought, his systematic dialectic would be still defective from a materialist standpoint. As a consequence, it should not be simply taken over but first needs to be thoroughly 'rewritten' materialistically.

Finally, although not explicitly addressed in this chapter, it does follow from our discussion that the structures of the *Logic* and *Capital* cannot be treated as homologous as in Arthur's view. As the previous section has shown, the general form of motion of the synthetic stage of reproduction differs between the two works, with Hegel's idealist dialectic ridden with superfluous formal steps in the argument which have no place in Marx's materialist approach.

In sum, a materialist appropriation of the methodological insights found in the *Logic* for the critique of political economy must carefully cast aside its mystical shell.

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The Role and Place of 'Commodity Fetishism' in Marx's Systematic-dialectical Exposition in *Capital*

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Abstract

This article aims to contribute to the literature on Marx's systematic-dialectical method through a critical reading and discussion of the significance and presentational 'architecture' of the section on commodity fetishism in the dialectical sequence of form-determinations in *Capital*. In order to undertake this task, the paper firstly explores the content and expositional structure of the first three sections of Chapter 1 of *Capital*. This sets the stage for a methodologically-minded close examination of Marx's presentation of the fetish character of the commodity, which shows that there is a precise systematic sequence which gives unity to the flow of his argument within the section on 'The Fetishism of the Commodity and its Secret'. The conclusion is that only through a proper grasp of the dialectical method can the full systematic significance and implications of Marx's account of commodity fetishism be uncovered.

Keywords

commodity fetishism – systematic-dialectical method – subjectivity – value-form

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Introduction[1]

Ever since the publication of works such as Rubin's *Essays on Marx's Theory of Value*[2] or Lukács's *History and Class Consciousness*,[3] the emphasis on Marx's analysis of commodity fetishism has been a hallmark of critical traditions of Marxism. In effect, according to those traditions, commodity fetishism is the cornerstone upon which the understanding of Marx's mature works as a *critique* of political economy (as opposed to political economy or economics) depends.[4] While there is no doubt that the fetishism of commodities plays a fundamental part in Marx's critique of political economy, the question is, once we accept this premise, what are the precise meanings and implications of such a notion for the scientific comprehension of capitalist society as a whole, and, more concretely, for the proletarian political action through which the movement of capital realises its own annihilation? Here, the mere reference to the centrality of the historicity of bourgeois social forms and their fetishistic

1 In keeping with the Fowkes translation utilised for the preparation of this article and with its widespread use in the literature, I will use the terms 'commodity fetishism' and 'fetish-like character of the commodity' interchangeably, in both cases to refer to the essential substantive meaning of the said phenomenon, namely, the real inverted existence of the social determinations of privately-undertaken human labour as an objective 'supersensible' power of its product (i.e. value). This primordial determination and its social constitution should be distinguished from a more concrete aspect of this very same inverted consciousness of the commodity producer, which I also discuss below: when she faces this process of inversion in an already constituted form or as a *fait accompli*, it takes the *purely social* power of exchangeability of the commodity as if it were a *natural property* of the product of labour. In other words, it is also an apparent, mystified or illusory consciousness. In this sense, some recent commentators (Bellofiore 2014; Ehrbar 2010; Schulz 2012) have perceptively pointed out that the standard English translation is rather problematic. In effect, it overlooks that Marx systematically assigned the term 'fetish-like character' (*Fetischcharakter*) to the essential determination consisting in the real inversion of human social powers as attributes of things, while he reserved the term 'fetishism' (*Fetischismus*) for the illusory consciousness that naturalises this social power of the commodity. Now, although I do not dispute the pertinence of these exegetical observations, they are in the end of a *terminological* nature. In my view, as long as the content and meaning of each aspect of the phenomenon under consideration are clearly established and defined (as I believe this paper does), and given its usual adoption in contemporary Marxist debates to refer to its essential substantive determination, the continued usage of the admittedly-problematic term 'commodity fetishism' is harmless.

2 Rubin 1972.

3 Lukács 1971.

4 Clarke 1991; Holloway 1992; Postone 1996; Backhaus 2005; Reichelt 2005.

character does not suffice to grasp the critical and revolutionary nature of the critique of political economy.

A first issue that arises therefore concerns the varied substantive understandings of commodity fetishism in the history of Marxism. In a recent doctoral dissertation, O'Kane offers a concise and useful typology of the different meanings attached to the term 'fetishism' in the diverse readings and traditions of Marxian theory.[5] Firstly, there is the interpretation of 'fetishism as false consciousness', which can be traced back to the 'orthodox' or 'traditional' Marxist reading by Kautsky,[6] but which can be also found in more recent times among so-called 'analytical Marxists'.[7] Secondly, there is the Althusserian conception, which, in its earliest version, quite simply rejected Marx's discussion of commodity fetishism (insofar as it was seen as a residue of the Hegelian influence on the young Marx).[8] Later, Althusser qualified his early assessment and came to accept the notion of fetishism as a false conception that 'veils' the system of capitalist social relations with a relation between things.[9] Thirdly, this typology identifies the notion of 'fetishism as reification', which can be traced back to the main exponents of the so-called Western Marxist tradition (in particular, Lukács in *History and Class Consciousness* and Weberian readings of the Frankfurt School).[10] Fourthly, there is the interpretation of 'fetishism as alienation', which characterises the classic Marxist Humanist conception that emerged after the publication of the *1844 Paris Manuscripts* and which stressed, against Althusser's 'epistemological break', the continuity between the 'Hegelian young Marx' and the 'mature' Marx of *Capital* (for instance, the work of Marcuse, Lefebvre and Fromm). Finally, O'Kane identifies a fifth strand that he labels 'fetishism as value', and which broadly corresponds to the tradition of value-form theory or 'form-analysis'. In this approach, commodity-fetishism is understood as the historically-specific inverted social constitution of thing-like forms of social mediation that configure an impersonal 'system of objective compulsion', and which reduces the existence of human beings to its personifications.

5 O'Kane 2013, pp. 16–23. Dimoulis and Milios 2004 provide an alternative typology based on a critical but sympathetic rethinking of the Althusserian reading.

6 Kautsky 1903.

7 Elster 1985.

8 Althusser 2001.

9 Althusser and Balibar 1970.

10 For a critique of these Weberian understandings of commodity fetishism, see the seminal work by Clarke 1991.

This article offers a detailed critical reconstruction of Marx's account of commodity fetishism which, broadly speaking, can be substantively located within this latter tradition that reads section 4 of Chapter 1 of *Capital* as a critical investigation of the social constitution of value-objectivity out of the social form of capitalist social relations of production. Although I believe that the paper does also provide a novel and original reading in this respect (specifically, concerning the connection between value and consciousness), it is not in the substantive issues surrounding commodity fetishism that the main contribution of the paper lies. Rather, my aim is fundamentally at the level of *method*. More concretely, the paper discusses the precise role and place of commodity fetishism in light of Marx's *systematic-dialectical* exposition in *Capital* and argues that the specific form of the dialectical method is fundamental in this respect. Yet both aspects are immanently related: a proper grasp of the substantive *content* of commodity fetishism can only result from a correct understanding of the very *form* of Marx's process of cognition.

The need to reconsider Marx's presentation of the commodity-form in Chapter 1 of *Capital* through a reassessment of his dialectical method (in particular, its connection to Hegel's *Science of Logic*) has been widely recognised by a growing number of scholars, especially within the ranks of the so-called 'New Dialectics' or 'systematic-dialectical' approach. In effect, the last 20 or 25 years have witnessed a renewed interest in Marx's dialectical method and its implications for value theory.[11] Although there are various particular controversies over the precise nature of this connection, most contributions agree that the structure of the argument in *Capital* is organised in a dialectical form which, at the very least, can be said to draw formal inspiration from the general form of movement of categories that Hegel deploys in his *Logic*. Thus Marx's presentation is seen as involving a (synthetic) movement from the more abstract or simple form-determinations of the subject-matter (namely, capital) to the increasingly more concrete or complex forms in which it moves and eventually manifests in 'empirical' reality, thereby culminating in the intellectual reproduction of capital as the unity of those many determinations. Inasmuch as the transition from one economic form to the next is seen as being driven by the development of the contradictions immanent in each of them, their relationship is generally deemed as internal and grounded in dialectical necessity, in contrast to the externality and unmotivated shifts that inevitably result from the use of formal logic.

11 See, among others, Murray 1988; Reuten and Williams 1989; Smith 1990; Moseley (ed.) 1993; Moseley and Campbell (eds.) 1997; Arthur 2002; Albritton and Simoulidis (eds.) 2003; Moseley and Smith (eds.) 2014.

Now, despite all the light that these works have cast on the form of Marx's argument, I think that two important gaps can be found in this literature. In the first place, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (i.e. on the exposition of the dialectical movement from the 'abstract to the concrete'). In this sense, it could be argued that this literature has glossed over the peculiar role of the *phase of analysis* in Marx's dialectical investigation generally and in his presentation in *Capital* in particular.[12] Furthermore, these scholars have not paid sufficient attention to the *specific form of the analytical process within dialectical thought*.[13] In the second place, as far as I am aware, works coming from the 'New Dialectics' approach, which are those that emphasise the dialectical structure of Marx's argument (and hence the necessity of the sequence of form-determinations), tend not to discuss the precise *systematic* role and place of commodity fetishism in the exposition in *Capital*. In other words, although these works obviously do highlight its centrality for the critique of political economy, they do not thematise the question of the systematic necessity for the dialectical presentation in *Capital* to address, at the specific point of section 4 of Chapter 1, the fetish-like character of the commodity. Moreover, and in stark contrast with the attention given to the order of Marx's dialectical exposition in the first

12 The distinction between analysis (in the sense of dissection of the 'whole' into 'parts' or 'identification of differences') and synthesis (in the sense of reconstitution of the 'unity' of the whole) is not peculiar to dialectics. As I argue below, what sets the latter apart from formal-logical methodologies is the specific *form* taken both by the analytical and synthetic processes in dialectical thought. Zelený 1980, Chapter 10, provides a concise discussion of the different meanings of analysis and synthesis in science and philosophy, which also traces back their intellectual lineage.

13 Starosta 2008. These other aspects have not been entirely absent in the literature (see, for instance, Murray 1988, pp. 148–50). However, they came up in the debate among 'new dialecticians' relatively late (Murray 2002; Reuten 2000) and have not been pursued any further until recently (see Reuten 2014, who does address in great detail the connection between analysis and synthesis, and that between inquiry and presentation, in systematic dialectics). In this sense, Ollman's criticism of the systematic-dialectics literature, that these authors tend to focus one-sidedly on Marx's method of *exposition* at the expense of his method of *inquiry*, is, to some extent, pertinent (Ollman 2003, pp. 177–80). However, it seems to me that Ollman is somewhat unfair in his claim that the systematic-dialectics approach *restricts* Marx's method to a strategy of presentation and simply neglects it as a mode of inquiry. Be that as it may, it is my view that compared to the light thrown on the synthetic aspects of Marx's method of presentation, the nature of the relation between analysis and synthesis in the presentation and the way in which this relates to the formal determinations of the dialectical inquiry, have not been explored with the same depth and clarity.

three sections of Chapter 1, most works seldom inquire into the existence of a systematic sequence which would give unity to the flow of his argument *within* the section on 'The Fetishism of the Commodity and its Secret'.[14]

My aim in this article is therefore to contribute to filling these gaps in the literature through a critical reading and discussion of the significance and presentational 'architecture' of the section on commodity fetishism in the dialectical sequence of form-determinations in *Capital*. In order to undertake this task, the paper firstly explores the content and expositional structure of the first three sections of Chapter 1 of *Capital*. This will set the stage for the discussion in the other sections of this article, in which I offer a methodologically-minded close examination of Marx's presentation of the fetish character of the commodity. As the discussion will hopefully make evident, only through a proper grasp of the dialectical method can the full systematic significance and implications of Marx's account of commodity fetishism be uncovered.[15]

14 Heinrich 2012, in his introduction to the three volumes of *Capital*, is a partial exception. Thus, he offers a very detailed and rigorous commentary on each paragraph of the section on commodity fetishism which, at least implicitly, implies the acknowledgement that there is a systematic guiding thread structuring the flow of Marx's argument. However, he does not connect the latter with the form of motion of the dialectical presentation. Furthermore and oddly enough, without offering any explicit reason he introduces the commentary on the section on commodity fetishism after his discussion of Chapter 3 on the functions of money. This undermines his otherwise insightful attempt at showing the systematic connection between the first two chapters of Volume I. As argued below in this article, the section on commodity fetishism is a necessary mediating link between the commodity and the action of commodity-owners in the process of exchange. Still, the rigour of Heinrich's commentary markedly sets it apart from David Harvey's popularising reading in his recent *Companion to Marx's Capital* (see Harvey 2010). In this recent book, Harvey characterises the writing style of the section on commodity fetishism as 'literary … evocative and metaphoric, imaginative, playful and emotive, full of allusions and references to magic, mysteries and necromancies', which he contrasts with the 'dull accountancy style of the previous sections' (Harvey 2010, p. 38). Although probably a humorous remark in a book based on lectures to postgraduate students, this characterisation of the passage from the 'language of commodities' to the 'language of human beings' has the unintended consequence of trivialising (and thus obscuring) the systematic necessity of such a transition and, as a consequence, the significance of commodity fetishism in the dialectical development of form-determinations.

15 These claims are more fully elaborated in Starosta 2016.

Outline of the Structure of Marx's Presentation in the First Three Sections of Chapter 1 of *Capital*[16]

The Phase of Analysis in Sections 1 and 2 of Chapter 1 of Capital

In the *Marginal Notes on Adolf Wagner* Marx states unambiguously that he starts the exposition in *Capital* with the immediate observation of the commodity as simplest *concretum* in which capital-determined social labour is expressed in order to develop the real determinations specific to this social form.[17] In Marx's own words, he begins with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society'.[18] From this starting point, Marx proceeds by taking the individual commodity 'in his own hand' and analysing 'the form determinations that it contains as a commodity and which stamp it as a commodity'.[19] These form-determinations Marx initially discovers by looking at the use-value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour, namely, *exchange-value*. Marx's exposition thereby initially revolves around the (dialectical) *analysis* of that historically specific power of the commodity.

As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[20] The next step in the analysis of exchangeability is the uncovering of the *more abstract form* (hence the *content*) behind that specific formal attribute of the commodity, this being the only way in which we can penetrate through the concrete form in which an immanent determination presents itself. Thus, the further analysis of the commodity reveals that exchange-value is actually the 'mode of expression' or 'form of manifestation' of a content distinguishable from it – value – the substance of which resides in the abstract labour congealed or materialised in the commodity.

Having discovered the materiality of the qualitative content of the 'ghostly objectivity' of value, Marx briefly discusses its quantitative determination: the *magnitude* of value is determined by the *socially-necessary* labour time required for the production of commodities. This means that the objectification of the abstract character of labour is socially represented in the form of value

16 This section summarises arguments elaborated more fully in Starosta 2008.

17 Marx 1975, p. 198.

18 Ibid.

19 Marx 1976a, p. 1059 (translation amended).

20 Marx 1976c, p. 126.

only inasmuch as it satisfies two conditions: first, that it corresponds to the technologically normal conditions of production prevailing in society,[21] and, second, that it can satisfy a social need,[22] regardless of whether these needs arise from 'the stomach or the imagination'.[23]

As argued elsewhere, in opposition to the claims of a great deal of contemporary literature on Marx's theory of the value-form, I think that the (analytic) search for the specific determinations of the commodity is evidently not achieved with the discovery of abstract labour as the substance of value.[24] Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance he ended up with something which bears no specifically-capitalist character: 'merely congealed quantities of homogeneous human labour, i.e. of human labour power expended without regard to the form of its expenditure'.[25] This is the reason

21 Marx 1976c, p. 129.

22 Marx 1976c, p. 131.

23 Marx 1976c, p. 125. For a more extended discussion of the meaning of 'socially necessary labour', see Kicillof and Starosta 2007a.

24 As a reaction to the ahistorical, Ricardian reading of Marx's account of the value-form, the 'new consensus' tends to see abstract labour as a purely historical, specific social form. See, among others, De Angelis 1995; Postone 1996; Reuten 1993; Arthur 2001; Bellofiore and Finelli 1998; Kay 1999; Saad-Filho 1997; Mohun and Himmelweit 1978; de Vroey 1982; Eldred and Haldon 1981; Bellofiore 2009; Heinrich 2009; Mavroudeas 2004; McGlone and Kliman 2004; Roberts 2004. I have developed a more extended critique of this new consensus in Kicillof and Starosta 2007a and 2007b. Here I can only offer some very brief remarks on this issue. Abstract labour is a generic material form, a 'productive expenditure of human brains, muscles, nerves, hands etc.' (Marx 1976c, p. 134). What is specific to capitalist society is the role it plays by being determined as the substance of the most abstract form of objectified social mediation, namely: value. In other words, at stake here is the *movement of the contradiction* between the generic, physiological materiality of abstract labour and its historically-specific *social* determination as the substance of value deriving from the *private* character of labour in capitalism. See also Carchedi 2009, Carchedi 2011a, pp. 60–74, and Robles Báez 2004, for a similar argument. Murray 2000 comes very close to recognising this through the distinction between 'physiological' abstract labour and 'practically abstract' labour, thus shifting his thinking from the earlier perspective adopted in Murray 1988. The debate on the nature of abstract labour has not been settled and has continued in more recent times. See Bonefeld 2010 and 2011; Carchedi 2011b; Kicillof and Starosta 2011.

25 Marx 1976c, p. 128.

why Marx still carries on with the analytic search for the '*form determinations* that it contains as a commodity and which stamp it as a commodity'.[26]

This leads Marx's dialectical analysis to give closer scrutiny to the *labour that produces commodities* in the following section of Chapter 1. As any attentive reader could tell, the analytic process continues and it is only in *section 2 on the dual character of labour* that Marx finally finds the historically-specific form of social labour that produces commodities and, hence, value. The commodity, Marx eventually concludes, is the objectification 'of mutually independent acts of labour, performed in isolation'.[27] In other words, it is the 'labour of private individuals who work independently of each other',[28] or *private and independent labour*, which constitutes the specifically-capitalist form of labour or productive activity. The analytic process completes the search for the specific determinations of the value-form by revealing that the attribute of general exchangeability of the commodity springs from the abstract or general character of socially-necessary *privately performed* labour materialised in it. The value-form, then, becomes known in its essential determination as the *objectified or reified expression of the social character of the individual labour of private and independent producers*. Its objectivity is thus revealed to be wholly social, without an atom of 'matter' entering into it,[29] i.e. it is the purely social representation of the 'physiological' materiality of objectified, privately-undertaken socially-necessary abstract human labour that constitutes its substance.

Now, as is widely acknowledged in the literature, the sequence at that initial stage of Marx's argument (i.e. in the course of the transition from section 1 to section 2 of the first chapter) consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in the first pages of Chapter 1), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection.[30]

In contrast to the conventional scientific method, dialectical thought analyses a concrete form by, first of all, facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative

26 Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

27 Marx 1976c, p. 132.

28 Marx 1976c, p. 165.

29 Marx 1976c, p. 138.

30 Iñigo Carrera 2012.

potentiality, that is, its real necessity. Thus the dialectical ideal appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality. For instance, value, as the specific immanent qualitative potentiality of the commodity as a generally-exchangeable 'social thing', is discovered as the common attribute that is immanent in the *singular* quantitative exchange relation between two different use-values that constitutes the immediate appearance of exchange-value. The latter is thereby revealed as the necessary concrete form in which value is immanently realised. In turn, value is uncovered as the concrete form in which the potentiality of privately-performed socially-necessary abstract labour as a productive action (i.e. as an individual expenditure of labour-power immanently determined as an organ of the social metabolic process) is realised in its result or product.

Thus, while conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). This analytical procedure must be then renewed for those other more-abstract forms, but now treated as the real concrete form whose inner content the research is trying to uncover. Only once all those inner form-determinations have been uncovered through analysis should the investigation undertake the 'return journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.[31]

The Synthetic Phase of Ideal Reproduction Proper

In a nutshell, the discussion above showed that, strictly speaking, the first two sections of Chapter 1 of *Capital* are not part of the *synthetic* movement of the

31 Marx 1993, p. 100. Note that this specific form of motion of analysis and synthesis in dialectical thought applies not only to the moment of exposition or presentation but, primordially, to the moment of inquiry as well. See Iñigo Carrera 2013.

dialectical exposition but constitute its *analytic* prelude. As we have seen, the analytic stage only separates a concrete form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage does not ideally reflect the immanent self-movement of the object under consideration. It is therefore not about the *why* but only about the *what*. Evidently, since the apprehension of real forms according to their relative degree of abstractness or concreteness ideally expresses the objective necessity (the real relations) residing in the object and is not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. But this something is no more than, as it were, a 'pointing out', an external observation. The actual exposition of the unity between content and form – hence its explanation – takes place in the *synthetic* phase of *reproduction*, which faces the challenge of precisely showing that movement which the analysis was incapable of unfolding: the necessity of the realisation of that (more abstract) determination in its more concrete forms of existence.

In the specific context of the structure of Chapter 1 of *Capital*, this synthetic movement consists in ideally following the realisation or actualisation of the attribute of exchangeability (i.e. value), which is the potentiality that was analytically uncovered as immanent in the commodity. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' external object and the exposition starts to follow its self-movement as the subject of the development of those determinations previously discovered through analysis into ever more concrete forms.[32] Specifically, this reproduction only starts in section 3 of Chapter I, entitled 'The value-form, or exchange-value' and consists of the unfolding of the content of this movement albeit as spoken in 'the language of commodities'.[33]

In effect, insofar as value is the purely social power of the commodity, it cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation of exchange between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use-value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange-value as its necessary form of manifestation. In its most developed form, value acquires independent existence as money, and the expression of

32 Iñigo Carrera 2014.

33 Marx 1976c, p. 143.

value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity-form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money-form.

It is in the course of the movement of this ideal reproduction, when seen from the point of view of its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to *why* the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing. In a nutshell, the issue comes down to the fact that it is only the expression of value which progressively reveals the problem that the commodity-form of the product of labour is meant to solve. I am referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money-form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why privately performed socially-necessary abstract labour must produce value.

In sum, in capitalist society the unity of social labour thus becomes socially represented in the form of the particular private product that the rest of commodities separate as their general equivalent and which eventually ossifies in the money-form. In tracing the genesis of the latter through the ideal reproduction of the expression of value, the synthetic stage of the dialectical exposition thereby positively unfolds the determinations of that which the analytic process could only *point out*. Namely, that the value-form of the product of labour is the materialised general social relation of human beings in the capitalist mode of production and, therefore, the reified *social subject* of the *form* in which the social process of production of human life attains unity in this historical stage of its development.

It is only at this juncture that Marx introduces the fundamental discussion of the fetish character of commodities. The question that immediately arises, and which is hardly addressed in the literature, is *why only and precisely then?* I think that the answer to this question is inseparable from the issue about the determinate content of the section on commodity fetishism and its place in the overall structure of Marx's exposition in *Capital*. The object of the next section, then, is to proceed to deal with these questions.

The Immediate Object of Exposition of the Section on Commodity Fetishism and its Systematic Place and Significance

In order to clarify the issue, let me get straight to the point and pose the fundamental question which underlies the proper comprehension of the systematic place and significance of the section on commodity fetishism in the structure of Marx's presentation, namely, from the point of view of the dialectical method, what is the immediate object of the exposition in that section? As Iñigo Carrera points out,[34] those pages fundamentally develop the determinations of the alienated consciousness of the commodity producer. Or, better stated, they unfold the determinations of the alienated consciousness as such which, therefore, becomes *explicitly expounded* as an alienated consciousness. This is because, in reality, the whole of Chapter 1 (and, actually, the whole of *Capital*) has as its object the alienated consciousness of the commodity producer in the different, ever-more-concrete modes of existence (both the forms of *objectivity* and *subjectivity*).[35] However, the text starts out not with the alienated

34 Iñigo Carrera 2007, pp. 260–1.

35 See Starosta 2016, Chapter 6, for an in-depth elaboration on this admittedly polemical claim. For the sake of brief further clarification, however, a few additional words are in order. If the value-objectivity is, as argued below, the fetishised form in which the private producer unconsciously posits her own immanent social determinations as apparently autonomous powers of the product of labour, it follows that the further concrete forms assumed by the value-form, which is what the rest of *Capital* unfolds, must also be further developments of this initial simplest determination. Now, insofar as with 'the metamorphosis of commodities' the latter develop and acquire new determinations, this process 'transforms the commodity-owners as well, and alters the social role they play in relation to one another' (Marx 1987, p. 371). Thus, as this simplest objectified form of social mediation (the commodity/value) self-develops and changes, commodity owners 'who represent these changed relations, acquire new economic characteristics', i.e. they 'change skin' and emerge from the circulation process wearing different 'character masks' from those with which they entered. More specifically, as the systematic-dialectical presentation progresses, it reveals that the commodity with which it started actually proves to be the most abstract form of capital as self-valorising value. Its personification, the 'commodity producer', is concomitantly transformed. In the circulation process, commodity-owners become differentiated into owners of money-as-capital (capitalists) and owners of the commodity labour-power (wage-labourers). Upon the purchase of the labour-power of the doubly-free labourer, these two personifications establish an antagonistic direct social relation in the immediate process of production throughout the duration of the working day, in which the worker renders surplus-labour and valorises capital under the command of the capitalist. In other words, the capitalist personifies

consciousness in and for itself, but with its most general *objectified* form of existence, namely, the commodity. Although the commodity *will prove to be* the alienated consciousness of the commodity producer, it is not yet known to be such at the beginning of the dialectical presentation. The commodity, not its producer, is thus the immediate subject of the determinations unfolded in the first three sections of Chapter 1.

Conversely, in the section on commodity fetishism, Marx turns his attention to the reasons why the products of private labour appear, to the producers themselves, as bearers of those reified powers whose autonomised self-movement he ideally reproduced through the expression of value contained in the exchange-relation. Having discovered behind the power of exchangeability of commodities the historically specific form in which capitalist society resolves the social organisation of the organic unity of human life, the exposition needs to explain why the producers, the actual subjects whose material reproduction is at stake, must represent that process in their consciousness in such a mystical and fetishistic form. The transition is, then, from the *formal* subject of the value-determinations, i.e. the commodity, to the *material* subject, i.e. the human individual.

In this respect, it could be said that the section on commodity fetishism opens a kind of new presentational (sub)node, which, in turn, will prove to be a necessary mediation for the determinations to be unfolded in Chapter 2 on the process of exchange. This is the case insofar as the section on commodity fetishism focuses on the determinations of the consciousness of the commodity producer analytically separated from the human action it regulates in the process of exchange. In other words, it expounds the determinations of consciousness mainly with regard to its *form*. Once Marx has established the historical formal determinations of human consciousness, in Chapter 2 he can then follow the mode in which the latter moves in the realisation of the general social relation, i.e. in its unity with action as conscious practice in the sphere

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the privately-undertaken conscious organisation and direct control of the labour process performed by the wage-worker, whilst the latter personifies its execution proper. Thus, the simplest *systematic* (i.e. not historical) figure of the commodity producer with which the presentation started, which concentrated the personification of the unity of the conscious organisation and execution of privately-undertaken social labour, 'doubles' into capitalist and wage-worker, with those two roles in the direct production process now 'polarised' between these two different 'character masks'. The simplest determinations of value-positing are thereby not abstractly negated at the level of abstraction of the capital-form but 'sublated' (i.e. preserved through their self-negation). In sum, and in response to one of the referees' comments, what is said of the 'commodity producer' applies to all participants in a commodity-producing society.

of circulation (which is the phase of material reproduction in which human individuals *directly* confront, albeit as 'representatives of commodities', the manifestation of the general unity of social labour *indirectly* established behind their backs).[36]

As corresponds to the nodal structure of Marx's exposition, he starts the section on commodity fetishism with an immediate observation: 'A commodity appears at first sight an extremely obvious, trivial thing'.[37] However, very quickly he develops the analytic movement which brings us to the inner determinations of the commodity discovered in the previous section. In effect, Marx points out that although it immediately appears as a trivial thing, the commodity is in reality an entity full of metaphysical subtleties, a sensible/suprasensible being with the fantastic power of being transformed into another use-value without even touching its materiality.[38] On the other hand, at this stage of the process of cognition, we already know where to find the source of such mysticism; it must derive from the commodity-form itself, i.e. from its character as the reified mediator in the establishment of the unity of the social character of private labour. In the commodity, all the qualitative and quantitative determinations of social labour appear to the material subject of this activity as objective attributes of its product.

> Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly, it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour; and

36 And even at that level, the alienated action that personifies the realisation of the necessity of the commodity to establish an exchange-relation is still abstract and is part of what Marx calls, in the *Contribution to the Critique of Political Economy*, the 'theoretical phase of circulation' of commodities, 'preparatory to real circulation' (Marx 1987, p. 303), which can only take place once, 'as a result of establishing prices, commodities have acquired the form in which they are able to enter circulation' (Marx 1987, p. 323). By this Marx means the ideal reproduction of the determinations of the circulation of commodities which constitute the premises of its actual movement. This 'theoretical circulation' comprises Chapters 1 and 2, and the first section of 3 (the functions of measure of value and standard of prices). Only then is the actual circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions, but as its concrete forms.

37 Marx 1976c, p. 163.

38 Ibid.

> finally the relationships between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour.[39]

In the passage above, Marx is simply bringing together the results reached by the ideal reproduction of the form-determinations of the commodity in the previous three sections of Chapter 1. However, the dialectical exposition has so far uncovered this essential content of the commodity-form purely in terms of the search for the latter's immanent social determination as an exchangeable entity. As I shall argue in more detail below, the form-determinations of the commodity must now be revisited from the perspective of the human being, which in section 3 has been implicitly discovered as the actual material subject of those determinations formally carried by the product of labour. In doing so, the dialectical presentation will shed new light on that very content itself. By way of a momentary analytic 'detour' from the synthetic movement of the presentation, which penetrates further into the inner determinations of the fetishistic appearance of the commodity as an autonomous subject with the social power to establish the exchange-relation, the value-form is revealed as the inverted representation, in the consciousness of the human being, of the social character of her own activity. In other words, the commodity proves to be the alienated mode of existence of the private producer's consciousness of the immanent unity of social labour of which her own activity is but an organic moment. It is the transposed form in which the producers consciously experience the indirect nature of their general social relation in this mode of production, projecting it as a social power external to their own individuality.

> The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time suprasensible or social … [The value-relation] is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things.[40]

39 Marx 1976c, p. 164.

40 Marx 1976c, pp. 164–5.

Now, before proceeding with this reconstruction of Marx's further unfolding of the determinations of the alienated consciousness of the commodity producer, it is worth probing deeper into some methodological aspects of the way in which his exposition approaches the determinations discussed just above. As we will see, the peculiar structure that he gives to the presentation disrupts the fluidity of the pure synthetic ideal reproduction of the commodity-form. This has several consequences that could result in a misunderstanding of the systematic sequence of form-determinations by inattentive (or rather, uncritical) readers. On the one hand, and more generally, it could give the impression that the section on commodity fetishism actually has no determinate *systematic* place and significance whatsoever, simply being a 'sociological' analysis which constitutes the basis of Marx's 'theoretical political economy',[41] or a 'philosophical' excursus which strays away from the exposition of the unfolding of the 'economic' determinations of the value-form.[42] On the other hand, we will see that this presentation inevitably leads to repetitions of points already made earlier on in Chapter 1, which can generate the appearance of an inverted order of presentation of certain determinations. Thus, Marx interjects as part of the development of the alienated consciousness as such *repetitions* of arguments he had already developed when he was effectively presenting the determinations of the commodity as the general social relation (the objectified social being, so to speak). That many of those passages just reinstate points already made earlier is evidenced by the way in which Marx introduces them:

> *As the foregoing analysis has already demonstrated*, this fetishism of the world of commodities arises from the peculiar social character of the labour which produces them.[43]

A further point to note in this regard is that one of the particular features of Marx's presentation in the section on commodity fetishism is that, unlike the analytic passage from the form of value to its substance between sections 1 and 2,[44] or the synthetic return to the unity of that substance with its form of existence in section 3,[45] he does not *explicitly inform* the reader about the content of the presentational movement that he is undertaking (e.g. the passage

41 Rubin 1972.

42 Balibar 2007.

43 Marx 1976c, p. 165; my emphasis. Heinrich also notes that with that introductory line Marx refers to the content of the previous sections (Heinrich 2011, p. 176).

44 Marx 1976c, p. 128.

45 Marx 1976c, p. 139.

from value and its monetary mode of existence to the consciousness of the commodity producer), or about the formal necessity of that step in the dialectical sequence of form-determinations. However, this does not mean that there is no immanent necessity structuring the flow of the argument, as implied by Reichelt's claim that Marx tended to 'conceal' the dialectical method in the published versions of the critique of political economy (and especially in the second edition of *Capital*) in order to popularise the exposition.[46] As Iñigo Carrera points out,[47] what Marx removed from the exposition, in contrast to that of earlier manuscripts like the *Grundrisse*, are the explicit reflections on the direction that his ideal reproduction of the immanent unity of content and form of a determination should take. In fact, Iñigo Carrera continues,[48] those remarks are, strictly speaking, external to the ideal reproduction of the inner determinations of the object of cognition, which is what the dialectical method is all about. In this sense, the exposition in the published versions of the critique of political economy could be said to be actually *improved* from the point of view of the dialectical method, since it focuses more 'purely' on the 'immanent life of the subject matter' without any alien additions. It is down to the critical reader to recognise and make explicit those formal-methodological aspects which are only implicit in Marx's presentation. By contrast, this could, of course, lead other 'inattentive' readers to think that the section on commodity fetishism has no systematic place in the dialectical presentation, however fundamental it may be in other respects.

Another related issue concerns the point made above about the 'disruption' of the fluidity of the systematic ordering of form-determinations, partly entailed by Marx's idiosyncratic exposition in the first chapter of *Capital*, but partly a reflection of the nature of the subject matter under consideration itself. In effect, one of the peculiar features of Marx's exposition of the determinations of the commodity-form in sections 1 to 3 is that when analytically moving to the more detailed discussion of 'labour' as the human action that posits the value-form (more specifically in section 2), he treats it, as it were, in a purely 'objective' fashion, simply as the source or substance of value, i.e. as the content of the attribute of general exchangeability of commodities. The consequence of this is that nothing is said at that stage about what labour generically is, namely, the specifically human form of the life process and, in that determination, the *conscious* action of the working subject. In Marx's exposition, the explicit positing of this generic determination of labour as conscious

46 Reichelt 1995, 2005 and 2007.

47 Iñigo Carrera 2013, p. 65.

48 Iñigo Carrera 2013, pp. 65–6.

metabolic interaction with 'external' nature occurs only in Chapter 7 on 'The Labour Process and the Valorisation Process'.[49] However, even there he develops the generic determination of consciousness as the form of organisation of human productive action rather one-sidedly, that is, only in relation to an abstractly-presented individual character of labour without regard to its immanent social determinations.[50]

Be that as it may, the important point for the purpose of my argument here is that in the first three sections of Chapter 1, labour as subjective activity (hence consciousness) is entirely omitted from Marx's presentation. Although no more than an 'informed guess', a plausible explanation for this is that Marx wanted to stress the *real automatism* characterising commodity production as the general social relation. For this reason, he structured his exposition purely around the movement of the commodity, that is, around the simplest form of the labour *product* and the explanation of its power of exchangeability as its historically-specific objective attribute (the value-form). Thus, instead of directly starting with 'individuals producing in society' as he had earlier

49 Here I would like to argue that there is an element of flexibility in the dialectical presentation. Although overall form-determinations tend to follow a 'strict' systematic sequence, there are certain aspects of the object of cognition which, in principle, could be addressed at different points of the presentation. In those cases, it is down to the researcher to judge where a particular determination fits better. An example of this is Marx's postponement of the treatment of the transfer of the value of the means of production until Chapter 8. Although there is no strict systematic necessity not to address the different roles of past and new labour in the process of value-formation at the level of the commodity-form (since all the determinations presupposed by that qualitative difference have been unfolded at that stage), there are formal reasons that make it more sensible to leave it until later on in the dialectical presentation. Arguably, the distinction acquires full significance in relation to the determination of the diverse elements of the labour process as modes of existence of the production of *surplus value*. Dead labour now becomes a necessary form that capital must assume in order to absorb the only direct source of its valorisation (living labour), but in which its generic determination as a self-expanding magnitude is immediately negated. It becomes posited as *constant* capital in opposition to the only part that does attain self-valorisation, i.e. *variable* capital. From the perspective of the simple production of commodities, the explicit differentiation between the modalities in which the diverse functional elements of the labour process enter into the formation of value of the final product is less relevant. What fundamentally matters for the simple commodity producer is that her commodity's value is realised in full in order to be able to buy all the other use-values she needs for the production of her life. The division of the total socially-necessary labour into past and fresh new living labour expended is not of the essence.

50 Fitzsimons 2012, pp. 43–4.

announced in the Introduction to the *Grundrisse*,[51] in *Capital* Marx took as his point of departure the *thing* that appears as the immediate carrier of that power to establish the unity of the general social relation when the human individual does not consciously organise the latter as her personal attribute.[52] What follows from that starting point is the ideal reproduction of the autonomised self-movement of those form-determinations, and only as a *result* of this exposition, culminating with the money-form as the thing-like immediate mode of existence of the social character of labour in capitalism, does Marx make clear that at stake here is the form in which 'individuals produce in society'. But *in the course* of the dialectical unfolding of the commodity, its producer (and hence her consciousness) is virtually absent. The consequence of this is that when Marx does eventually address the consciousness of the commodity producer as the immediate object of his exposition in section 4, the transition might appear as an abrupt (if not extrinsic) leap. However, my claim is that it immanently follows from the determinations discovered in section 3.[53]

Now, regardless of Marx's 'extreme' presentational strategy of obliteration of all reference to human subjectivity in the first three sections of Chapter 1, the very 'inner life' of the subject matter precludes an earlier introduction of a fuller discussion of the form-determinations of the consciousness of the commodity producer as immediate object of exposition.[54] In effect, insofar as the commodity *really is* the form taken by the general social relation in capitalist society, its content in the general social character of labour could hardly be posited until presenting its 'roundabout' manifestation through the expression of value in section 3, that is, in indissoluble unity with its necessary reified mode of social mediation. Seen from a different angle, when Marx's exposition eventually addresses (commodity-producing) labour as such in section 2, it is quite simply impossible to immanently discover the unity of the general social

51 Marx 1993, p. 83.

52 Iñigo Carrera 2013, p. 68.

53 It is interesting that in the appendix to the first edition of *Capital* Marx introduced the discussion of commodity fetishism as the fourth peculiarity of the equivalent form (Marx 1976b, p. 59). The point about the place of commodity fetishism in the appendix to the first edition has also been noted in passing by Chris Arthur (Arthur 2004).

54 This is valid, of course, if one wants firmly and strictly to remain true to the ideal reproduction of the object. However, the dialectical researcher could decide, for didactic and pedagogic reasons, to introduce remarks which are external to the real movement at stake, but which might help readers who will most likely be used to representational thought but unfamiliar with the form of motion of the dialectical method. In other words, there is a trade-off between rigour and 'reader friendliness' in a context where dialectical cognition is not yet the general form of scientific thought.

relation since, precisely by virtue of the private character of productive activity in this society, that general social character of production is not directly manifest as an attribute of labour in action. *A fortiori*, it is not possible at that stage to expound in and of itself the form in which commodity producers carry that social character of their individual productive activity as a form-determination of their consciousness. Although the 'socially necessary' aspect of value-producing labour discovered through *analysis* already makes evident that the product must be useful for an individual other than its producer (it must be a 'social use-value'), this social character is still not posited (and hence fully discovered) as entailing the *general unity* of the process of human metabolism as a whole. True, Marx does discover in section 2 that the existence of the commodity he is analysing presupposes a *generalised* social division of labour (yet the latter is not the 'consequence of propensity to truck, barter and exchange', as Adam Smith argued in Chapter 2 of *The Wealth of Nations*). However, this analytical discovery is reached by *representational* means when facing the concrete character of labour;[55] more concretely, by the external observation that

> the totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour, which differ in order; genus, species and variety: in short, a social division of labour.[56]

In other words, Marx simply points to the seemingly unconnected collection of different concrete labours which comprise social production. In turn, the specificity of the contemporary form of social mediation of the division of labour is discovered by an equally extrinsic comparison of commodity-producing society with pre-capitalist forms of social life, showing that the division of labour is 'common' to both and hence a generic determination that does not explain the historicity of value-production. At most, then, the initial analytical encounter with 'labour', resulting from the search for the substance of value, could present the determination of consciousness as the human form of organising the one-sidedly individual character of productive activity. This would then reveal that, in the organisation of her privately undertaken process of production, the consciousness and will of the commodity producer is not directly subordinated to any other consciousness and will that could tell her how to allocate her labour-power in a determinate concrete form. In other words, the productive consciousness of the commodity producer would be grasped as being in full control over the *individual* character of labour. However, nothing could

55 Iñigo Carrera 2007, p. 229.

56 Marx 1976c, p. 132.

be said at that stage of the presentation about the way in which that productive consciousness mediates the organisation of the insertion of that singular productive action into the system of the social division of labour, i.e. about the social character of individual labour.[57]

In sum, an exposition that rigorously sticks to the ideal reproduction of the object can address the form-determinations of the consciousness of the commodity producer only after facing the unity of the general social relation. The latter can be firstly discovered only as 'spoken in the language of commodities' (i.e. through the expression of the value-content in the form of exchange-value) and not directly as a personal determination of the human individual. However, once that point in the dialectical exposition of the commodity has been reached (now *known*, in its money-form, as the immediate carrier of the unity of the general social relation of production), its own immanent development demands that the presentation veers toward the explicit scrutiny of the consciousness of the producer as its immediate subject matter.

Now, in this passage, the exposition will inevitably have to retrace some of its steps and reconsider 'commodity-producing labour'. However, in this new take on its determinations, labour can be immediately grasped in the unity of its individual and general social character *and* 'spoken in the language of human beings', that is, as their *conscious* socially-determined individual life activity. It is this reconsideration of labour as human action which, as anticipated above, allows the exposition to throw new light on the *content* of the value-form. For, as we have seen, the latter is thus revealed not simply as the thing-like representation of the social character of privately undertaken labour. Additionally, it can now be recognised as a form of objectivity which is unconsciously projected by human consciousness itself when regulating such a privately-performed productive action.

> *The private producer's brain reflects this twofold social character of his labour only in the forms which appear in practical intercourse, in the*

57 An earlier introduction of the subjectivity of the commodity producer along the lines suggested above can be found in Iñigo Carrera's alternative exposition of the commodity. See Iñigo Carrera 2007, pp. 33–4. The advantage of this presentational strategy is that it allows a smoother transition between the form of value and commodity fetishism, since by the beginning of section 4 consciousness is already there confronting its own social determinations in the autonomous shapes of the commodity and money-forms. The downside is that it 'spoils' the strategy of making the presentation reflect more starkly the objective automatism of the organisation of the process of social metabolism through the commodity-form.

> *exchange of products*. Hence the socially useful character of his private labour is reflected in the form that the product of labour has to be useful to others, and the social character of the equality of the various kinds of labour is reflected in the form of the common character, as values, possessed by these materially different things, the products of labour.[58]

This determination of the objectivity of value as an alienated external form posited by the productive consciousness of the private individual is explicitly and unequivocally presented by Marx in a passage from the first edition of *Capital*.

> So just *what* a value is does not stand written on its forehead. In order to relate their products to one another as commodities, men are compelled to equate their various labours to abstract human labour. They do not know it, but they *do* it, by reducing the material thing to the abstraction, *value*. This is a primordial and hence unconsciously instinctive operation of their brain, which necessarily grows out of the particular manner of their material production and the relationships into which this production sets them.[59]

In a nutshell, value becomes known as the mode of existence of the alienated consciousness of the private producer, a 'socially valid', therefore objective, form of thought.[60]

Note, however, that from the point of view of the formal structure of presentation, this reconsideration of the content of value, even if necessary, entails an instance of diversion from the synthetic progress of dialectical development. It is the 'analytic detour' in Marx's presentation to which I referred above, and that takes the reader from value/money back to privately-organised social labour (now explicitly posited as mediated by consciousness). Once this analytic deepening of the content of value is exhausted, the dialectical presentation must obviously resume the synthetic movement of reproduction from the prior point at which the analysis culminated, namely, the discovery of value as the alienated form in which the consciousness of the private producer organises her individual participation in the process of social metabolism in its unity.

58 Marx 1976c, p. 166; emphasis added.

59 Marx 1976b, p. 36.

60 Marx 1976c, p. 169. On the connection between commodity-form and consciousness, see the detailed discussion in Fitzsimons 2012. Reichelt 2007 also provides insightful reflections on value objectivity as 'unconsciously posited by an act of consciousness'.

But this obviously implies an unavoidable element of repetition of the passage over the synthetic sequence from 'private labour' to 'value'. It is precisely those passages from Marx's discussion of commodity fetishism which could lead to the (misguided) reading that the essential content of the section revolves around the explanation of why private labour must take the value-form of its product.[61] In order to clarify this point, let us return to the more detailed reconstruction of Marx's systematic argument in the fourth section of Chapter 1.

The Determinations of the Alienated Form Taken by the Productive Consciousness of the Private Individual

My methodologically-minded reading of the section on commodity fetishism has so far reached the point at which Marx's exposition analytically discovers the alienated consciousness of the (private) producer behind the commodity-form of the product of labour. The limits of this analytic discovery of the alienated consciousness for the further progress of the dialectical investigation are formally analogous to those experienced by the search for the content of the exchangeability of the commodity in sections 1 and 2 of Chapter 1 of *Capital*. As a reflection of the general role of the phase of analysis in the dialectical method discussed in the previous section, it can only account for the 'what' of the phenomenon under scrutiny, but is incapable of offering an explanation

61 An emblematic *locus classicus* of this misreading can be found in the influential work of Rubin, for whom the account of commodity fetishism constitutes the 'propaedeutic' to, and basis of, the determinations of the value-form (Rubin 1972, pp. 6, 61). In effect, Rubin considers that section 3 of the first chapter contains a *purely formal* development that simply illustrates the different forms of exchange-value as modes of expression of value, and further submits that 'Marx does not remain on the explanation of the form of value, and quickly passes to its various modifications, to the individual "forms of value": accidental, expanded, general and monetary' (Rubin 1972, p. 114). Thus, the precise place where Marx unfolds in great detail the explanation of the reason to be of value is taken by Rubin as containing no more than merely 'incidental' brief passages on value as social form (ibid.). And where exactly does Rubin find a 'detailed elaboration' of the value form? For instance, in a footnote, specifically number 34 in the Penguin edition of *Capital* (Marx 1976c, p. 169). Now, by definition, a footnote can hardly contain the elaboration of the essential content of a form-determination. Furthermore, in that particular footnote, Marx is unambiguously commenting on the ideological and apologetic character of the science of political economy (for falling prey to the fetish-like character of the commodity), and is not, by any stretch of the imagination, 'elaborating in greater detail' on the determinations of the value-form.

of its determinate 'why'. Specifically, the analysis of the commodity-form from the perspective of the human being as the material subject of social labour can shed light on what the fetish-like character of the product is: the inverted representation of the social determinations of individual labour in the form of value. But this leaves the question as to why the consciousness of the human being must experience her own immanent determinations in such an alienated form. As follows from Marx's materialist standpoint, this fetishised form of consciousness can have no other basis than the historical form taken by social being in capitalism, that is, the 'specific social character of the labour which produces' commodities, namely, private labour: 'Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other'.[62]

The explanation of the necessity of the alienated consciousness of the commodity producer must therefore lie in the ideal reproduction of the form in which the social character of private labour asserts itself through the exchange of commodities. Having reached that point, Marx's exposition thus resumes, in the rest of the sixth paragraph of section 4, the synthetic unfolding of the movement of the unity of the general social relation mediated by the commodity-form. However, unlike the earlier account in section 3 on the 'value-form, or exchange-value', the dialectical development can now explicitly posit the indirect form in which social labour attains unity from the perspective of the conscious practical activity of private individuals.

> The sum total of the labour of these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.[63]

62 Marx 1976c, p. 165.

63 Marx 1976c, pp. 165–6.

Marx's presentation thus finally unfolds the necessity of the alienated consciousness of the commodity producer. As a private and independent human being, the producer is incapable of recognising that her productive action possesses social determinations that transcend the immediacy of its singularity. Consequently, when organising the expenditure of the labour-power that she embodies, the consciousness of the human individual must project or transpose – hence confront – those individually-borne social powers as external to her individuality and existing as the objective attribute of the product, which allows it to enter the exchange-relation and manifest indirectly the human subject's immanent determination as an individual organ of social labour: the form of exchangeability or the value-form. In sum, the latter is the fetishised form in which the consciousness of the private producer resolves the organisation of her participation in the general process of social metabolism.

With this Marx expounds the determination of consciousness with regards to its most general form in capitalism. From this simplest determination of the consciousness of the commodity producer, he then proceeds to unfold its more concrete form of realisation in its generic condition as the human form of organising transformative action upon nature. In the first place, through the productive action that it privately regulates in the direct process of production. Thus, the producer not only faces her own social powers as external to her subjectivity and as carried by the product of her labour in the process of exchange through which social labour attains unity. As exchange extends its role in social reproduction, the plenitude of which is reached in capitalist society where it becomes the general social relation, this inverted consciousness starts to regulate the direct production-process itself. Under those circumstances, already at that moment must the commodity producer put her consciousness at the service of social powers which she sees as alien to her subjectivity, that is, as belonging to the commodity.[64] When resolving the concrete form in which she will privately expend the aliquot part of the total labour-power of society that she embodies, the social character of her labour already appears to the consciousness of the producer as an attribute of the product in a twofold sense.[65] Firstly, she must produce a use-value which must satisfy the needs of other individuals with whom she does not have any immediate or direct social nexus. Secondly, that socially useful character of the product must be formally mediated by its determination as the bearer of the property to be transformed into any other use-value, that is, the attribute of general exchangeability or the value-form. Thus, at the very moment in which she actually exerts her productive

64 Iñigo Carrera 2007, pp. 58–9.

65 Marx 1976c, p. 166.

subjectivity in the direct process of production, and in order to organise her affirmation as an individual organ of the social division of labour, the private individual must produce not only socially useful things, but also exchangeable products; she must posit value. In brief, the private individual must already alienate her productive consciousness in the commodity when acting in the immediate production process.[66]

At this juncture, after having uncovered value as the reified mode of existence of the determinations of consciousness, Marx hastens to clarify that this by no means implies that the human individual is actually aware of this fact. Thus, he argues, it is not the case that commodity producers consciously recognise the determination of their private labours as individual fragments of human social labour and thereby exchange their products as equivalent materialisations of abstract labour, i.e. give them the form of value. It is the other way around. They *unconsciously* give the products of labour the form of value and, through this reified social mediation, they equalise behind their own backs their private labours as individual organs of the total labour of society on the basis of their material identity as pure expenditures of human labour-power.[67] The constitution of the social objectivity of the value-form, whilst being the spontaneous product of their own brain (hence of their consciousness), appears to the commodity producers as a *fait accompli* springing by nature from the materiality of the product of labour. In sum, the consciousness of the commodity producer, in its most general and simple form, is not only an inverted consciousness, but also an apparent one. As the bearer of that form of consciousness, the human individual is unable to recognise the necessity – i.e. the determinations – of her conscious action beyond the appearance of being an abstractly independent action. As the necessary 'spontaneous and natural' form in which the producer privately organises the insertion of her practical action into the social metabolic process as a whole, this immediate practical

66 In this sense, value-positing is for Marx an immanent result of the direct production process and not, as Rubin and contemporary 'circulationist' value-form theorists argue, a determination of the sphere of circulation which 'leaves its imprint' on a labour process that posits value only 'mentally' or 'latently' (Rubin 1972; Reuten and Williams 1989; Heinrich 2011 and 2012). For a more detailed critique of Rubin's circulationist value-form theory and its political implications, see Kicillof and Starosta 2007a. Bonefeld 2010, drawing on Bellofiore 2009 and Arthur 2001, attempts to avoid the pitfalls of Rubin's circulationist views by giving an objective character (as opposed to merely mental or ideal) to the projection of the ghost-like objectivity of value back into production from its original constitution in exchange. For a critique of Bonefeld's position, see Kicillof and Starosta 2011.

67 Marx 1976c, pp. 166–7.

consciousness persists even after political economy scientifically discovers the labour content of the value-form.[68]

In this sense, the corollary of Marx's discussion of commodity fetishism is that consciousness is actually torn asunder when social being takes the form of private labour. It simultaneously exists both as a form of the subject of social labour and as an objective form of its product.[69] Before continuing with the textual commentary on commodity fetishism, let us probe deeper into this fundamental point.

In its generic condition as the specifically human capacity to organise the life-process, consciousness always entails a twofold determination as much as the labouring activity that it regulates.[70] On the one hand, it is the form in which the human being rules the immediacy of the individual productive expenditure of her corporeal powers in order to appropriate and transform external nature into a means for human life. In this determination, consciousness is the human capacity to organise the unfolding of the individual character of labour. On the other hand, those individually-borne productive powers can only be constituted socially, that is, they can only develop as a result of the productive action of other individuals (who, for instance, have participated in the production of the use-values whose consumption resulted in the productive attributes borne by the former individual's labour-power). Moreover, the individual labourer produces use-values not solely for her own consumption, but for others, that is, *social* use-values. Although an individual human action, labour therefore always has an intrinsically social character as well. This twofold character is borne by consciousness as its necessary form of organisation. Consciousness thereby does not simply undertake the regulation of the individual appropriation of the potentialities of external nature in order to transform it, but must also mediate the establishment of individual labour's immanent unity with the socially-general metabolic process of which it is an organic part. As an attribute borne by the individuality of each human being, consciousness is thus the capacity to establish the unity of social labour through the individual productive action of each of its subjects, i.e. to regulate the social character of individual labour.

It is this twofold immanent potentiality of consciousness which is torn apart in commodity-producing society. Insofar as the private form of labour negates the capacity of human subjectivity to recognise and control the social character of its activity, that material potentiality of consciousness becomes

68 Marx 1976c, p. 167.

69 Fitzsimons 2012, p. 37.

70 Fitzsimons 2012, pp. 44–6, Iñigo Carrera 2007, pp. 43–9.

formally alienated in the commodity. In this social determination, consciousness thereby exists in the mode of the objectivity of value. But the other side of this inversion is that, as subjective capacity, the consciousness of the commodity producer becomes determined as an abstractly-individual human attribute. Only in this one-sided form does consciousness immediately exist *as consciousness*.[71]

Based on these premises, let us now return to Marx's argument in the section on commodity fetishism. After having established the *genesis* or *social constitution* of the doubling of the consciousness of the commodity producer, Marx systematically proceeds to unfold the concrete form in which this abstractly-individual practical subjectivity apprehends the alienated mode of existence of its social determinations as an *already-constituted objective form*. More specifically, the immediate practical consciousness of the commodity producer ideally represents the movement of her alienated social being in the form of an estimate of the proportions in which her commodities will exchange for the other commodities she needs. Thus, Marx comments:

> What initially concerns producers in practice when they make an exchange is how much of some other product they get for their own; in what proportions can the products be exchanged?[72]

71 Now, lest my argument be misread as 'idealist', it goes without saying that I am not referring to an abstractly autonomous consciousness floating in mid-air but to the conscious social being of the human individual as a productive subject, i.e. to its determination as an organ of the materiality of the social metabolic process of humanity. More specifically, I am referring to the way in which the private form taken by the organisation of social labour is necessarily mediated by – or exists in and through – the conscious productive practice of human beings. In other words, there are no social relations of production or social practice whose inner determinations could exist abstractly separated from (i.e. not *immanently* mediated by) consciousness. Social practice is always *conscious* practical activity. The point of Marx's 'materialism' is not to conceive of social being as a self-subsistent existence that externally 'causes' or 'conditions' from such exteriority an equally self-subsisting consciousness. Such severance and consequent external relation of social being and consciousness would certainly be idealist. As follows from Marx's materialist dialectical method, social relations of production are the immanent material *content* which is necessarily realised in the *form* of the determinations of the consciousness of the human individual. As Marx eloquently puts it in the *1861–63 Manuscripts*, 'social relations only exist between human beings to the extent that they think' (Marx 1988, p. 232).

72 Marx 1976c, p. 167.

Now, insofar as consciousness is but the organisation of human action, the next systematic step after presenting the *form* in which the private producer represents 'in her head' the value-determinations in a constituted form, must consist in expounding the way in which this practical subjectivity productively *acts* on this basis in order to take part in the system of all-round material interdependence characterising generalised commodity production. When faced with the movement of the unity of their social life-process in a form that escapes their own individual potentialities, human beings are condemned to act, in Reichelt's eloquent formulation, as

> executors of constraints generated and reproduced by themselves, which are implemented in and through their conscious actions without, however, being consciously accessible to them.[73]

At stake here, then, is the *autonomisation* of the general social relation from the conscious control of individuals and the consequent all-too-real appearance or 'objective illusion' of *automatism* characterising capitalistic production.

As Marx argues, this determination of the practical action of private individuals becomes firmly established only when the movement of the quantitative articulation of the social division of labour becomes regulated by the magnitude of value.[74] This is because the degree in which the products of labour are exchangeable starts to vary independently of the producer's individual consciousness and will. Hence, in order to satisfy her qualitatively and quantitatively determined needs – thereby reproducing her natural life – the producer cannot but determine her consciousness and will as the servants of the capricious changes of the magnitude of value of the commodity she produces, which varies 'continually, independently of the will, foreknowledge and actions of the exchangers'.[75] In other words, she not only faces her own social determinations as alien powers borne by the product of labour, but the latter comes to control the producer herself. As Iñigo Carrera succinctly puts it,[76] the commodity producer can reproduce herself as a *person* only by acting as the most abject *personification* of the commodity.[77]

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73 Reichelt 2007, p. 5.

74 Marx 1976c, p. 167.

75 Ibid.

76 Iñigo Carrera 2008, pp. 11–12.

77 The rest of the section in Chapter 1 of *Capital* deals with the *ideological* scientific form of the alienated consciousness of the modern individual (political economy) and with general comments on other social forms and their respective forms of social consciousness.

With this characterisation of the practical subjectivity of human beings as personifications of the movement of the value-form, Marx's exposition completes the ideal reproduction of the simplest social determinations of the alienated consciousness of the private individual and its concrete forms in the sphere of production. From the point of view of the formal structure of the dialectical presentation, the important point to bring out is the precise sequence of form-determinations that guides the flow of Marx's argument, which I will now formally sketch out.

As I have shown in the previous section, Marx's exposition firstly moves analytically in order to discover the alienated consciousness of the commodity producer behind the value-form and private labour as the foundation of the former. From that point onwards, he undertakes again the synthetic return journey from private labour to value, albeit now as mediated by consciousness, thereby accounting for the 'why' of the latter's alienated mode of existence in the commodity. In this phase of his argument, the unfolding of novel form-determinations concerning the inner connection between consciousness and value inevitably overlaps with repetitions of points made earlier about the inner connection between private labour and value. After moving from human subjectivity to its transposed form of existence in the objectivity of value, Marx turns his attention back to the material subject of social labour in order to uncover the form of this consciousness which, in its immediacy, appears as abstracted from its social determinations. It is here that, strictly speaking, the presentation of entirely new content actually starts to unfold. The exposition thus reveals the sundering of the immanent twofold determination of human productive consciousness (individual and social) into an abstractly individual attribute of the material subject of social labour and the objectified mode of existence of its social determinations in the commodity, the latter being posited by the spontaneous or unconscious act of consciousness itself. What follows is the development of the concrete form in which the private producers ideally reflect on those social determinations, grasping them in their immediacy as already-existing forms of human life. On the basis of these immediate appearances, they organise their alienated practical action in order to reproduce the materiality of their lives, thereby becoming determined as personifications of the autonomised self-movement of those objectified forms of social mediation. Note in this regard that this means that the relation between consciousness and value suffers, as it were, a reversal. If at the beginning value

The latter are external observations in the dialectical presentation which evidently play a didactic or pedagogical role by helping to emphasise the specificity of capitalist social forms.

appeared as the self-negating mode of existence of consciousness, the exposition later reveals that human subjectivity and its conscious practical action actually develop into a concrete form of the self-movement of the value-form. One could argue that in this way Marx eventually justifies his presentational strategy of total obliteration of subjectivity when structuring the argument in the first three sections of Chapter 1 in apparently 'objectivistic' terms around the explanation of the exchangeability of the commodity as such: the establishment of the unity of capitalist social production proves to be predicated on a real automatism and not on the conscious knowing and willing of the material subject of social labour.

With all this in mind, we can now take stock of the precise systematic place and significance of the section on commodity fetishism in Marx's order of presentation. Inasmuch as it has the consciousness of the commodity producer as its immediate object of exposition, it can only appear *after* the analytic and synthetic development of the determinations of the value-form. The reason for this is that the determinations unfolded in the former are nothing more than the forms in which the latter concretely develop. To put it plainly, *the individual consciousness of the commodity producer is a concrete form in which the commodity, as the formal subject of the process of human metabolism, realises its own determinations*.

The full significance of this order of determination can be better appreciated in Chapter 2, in which, as anticipated above, Marx presents that alienated consciousness in motion, effectively acting as personification of her commodity in the sphere of exchange, that is, in the phase of the social reproduction process in which the unity of the social character of labour becomes manifest through a direct relation between human beings (i.e. the voluntary contract). In other words, when he presents the process of exchange as the concrete realisation of the social relation materialised in the commodity. After analytically penetrating the immediate appearance that it is the human individual who consciously and voluntarily controls the product of labour, Marx sets out to unfold the realisation of the essential determination with which the previous section finished, namely: in capitalist society,

> the characters who appear on the economic stage are merely personifications of economic relations: it is as the bearers of these economic relations that they come into contact with each other.[78]

What follows, then, is the alienated action of individuals determined as personifications who, through their unconsciously-organised social action, cannot

78 Marx 1976c, p. 179.

help manifesting by way of their 'natural instinct' the 'natural laws of the commodity' discovered in Chapter 1.[79] In effect, out of the development of the exchange-process necessarily crystallises the money-form of the commodity. The value-form of the product of labour affirms itself as an abstract form through its self-negation, that is, by realising its own necessity in the form of the atomistic action of commodity owners, which act as vehicles for the realisation of the 'will' of their commodities.[80] Hence the importance of grasping not only the unity between the section on commodity fetishism and the rest of Chapter 1, but also of accounting for the crucial presentational unity between the latter as a whole and Chapter 2.

As the ideal reproduction of these real relations among forms of different levels of abstraction, the dialectical presentation cannot posit the fetishism of commodities – i.e. the inverted self-consciousness of the commodity producer and its determination as personification of the value-form – prior to the unfolding of the social relations whose unity is ideally mediated in that historical form of consciousness. If it did so, it would, like it or not, fall prey to the idealist inversion of positing consciousness as taking concrete form in social being. And, since the times of *The German Ideology*, Marx and Engels had made it clear that such a way of conceiving the relation between social being and forms of consciousness entailed turning the real relations upside down. Maybe aware of the risk that his own exposition might be read in that inverted fashion, Marx in the first edition of *Capital* explicitly stated the order of the relation.

> First their relationship exists in a practical mode. Second, however, their relationship exists as relationship for them. The way in which it exists for them or is reflected in their brain arises from the very nature of the relationship.[81]

Conclusion

By way of brief concluding remarks, let us point to some implications of overlooking the precise systematic meaning and place of commodity fetishism in Marx's dialectical exposition in *Capital* as reconstructed above. In a nutshell,

79 Marx 1976c, p. 180.

80 Arthur 2004, pp. 37–8, correctly points this out. Heinrich also brings out this issue in distinguishing between Marx's exposition of the 'economic determinate form' and the 'activity of commodity owners'. See Heinrich 2012, pp. 72–9.

81 Marx 1976b, p. 36.

I think that it leads to a conception of Marx's critique of political economy, and in particular of the section on commodity fetishism, one-sidedly determined as an exposition of the social constitution of the forms of objectivity of capitalist society. The transposed relation between human practical activity and its objectified forms of social mediation becomes thus exhausted in the constitution of those forms of objectivity as a hostile alienated social power standing above and constraining the affirmation of an abstractly-free human individuality. But this inversion is not followed through to its necessary unfolding in the determination of the latter as the pure personification of the value-form. This has the consequence of rendering the most general determination of human individuality in capitalism undertheorised, thus opening up the possibility of postulating an instance of exteriority between human consciousness and will (i.e. subjectivity) and the value-form; the former is thereby seen as not fully determined as a mode of existence of the latter. As I have argued at great length elsewhere,[82] this exteriority eventually hinders the full comprehension of what a consequent dialectical development of these abstract determinations necessarily leads to, namely: the discovery of the determination of (social) capital as the concrete alienated subject of the historical movement of present-day society. To put it differently, this reading fails to follow the transition from the fetishism of commodities to the fetishism of capital, that is, from its abstract determination as a formal inversion between subject and product of social labour up to its full transformation into a complete real inversion, i.e. to the constitution of the total social capital as the alienated subject of the movement of modern society, with social classes as its antagonistic collective personifications. It goes without saying that this does not entail an abstractly theoretical interest. Quite to the contrary, it can be shown that it is a necessary step to discovering the determinations of the revolutionary subjectivity of the working class as *immanent* in the very unfolding of the reified forms of social mediation of capitalist society. In other words, a proper grasp of the systematic content and significance of commodity fetishism is a condition for the development of dialectical science into the conscious practical critique of the capital-form.

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82 Starosta 2016. See, in particular, Chapters 6 and 9.

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Fetishism and Revolution in the Critique of Political Economy: Critical Reflections on some Contemporary Readings of Marx's *Capital*

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Abstract

The aim of this article is to examine a series of recent contributions to the reading of Marx's *Capital* that stress its specific determination as a dialectical investigation of objectified or fetishised forms of social mediation in capitalist society: on the one hand, the so-called *Neue Marx-Lektüre* originated in Germany towards the end of the 1960s and, on the other, the more widely circulated work of authors associated with so-called *Open Marxism*. The interesting aspect of these works is that they draw the implications of Marx's critique of political economy not only for the comprehension of the fetishised forms of social *objectivity* in capitalism, but also for the comprehension of the forms of *subjectivity* of the modern individual. More specifically, all these contributions broadly share the insightful view that the content of the simplest determination of human individuality in the capitalist mode of production is its alienated existence as 'personification of economic categories'. However, this article

argues that the limits of these perspectives become apparent when it comes to uncovering the grounds of the revolutionary form of subjectivity which carries the potentiality to transcend capitalist alienation. For these perspectives fail to ground the revolutionary form of subjectivity in the immanent unfolding of capitalist forms of social mediation. In the case of the *Neue Marx-Lektüre*, it quite simply leaves the *problematique* of the revolutionary subject outside the scope of the critique of political economy. In the case of *Open Marxism*, despite valiant attempts at overcoming all exteriority in their conceptualisation of the relationship between human subjectivity and capital, they end up grounding the revolutionary transformative powers of the working class outside the latter's alienated existence as personification of economic categories; more specifically, in an abstract humanity lacking in social determinations. In contrast to these perspectives, this paper develops an alternative approach to the Marxian critique of political economy which provides an account of the revolutionary potentialities of the working class as immanent in its full determination as an attribute of the alienated or fetishised movement of the capital-form.

Key Words: *Capital*, Fetishism, Revolution, Dialectics; *Neue Marx-Lektüre*, Open *Marxism*

Introduction

The aim of this article is to examine a series of recent contributions to the reading of Marx's *Capital* that stress its specific determination as a dialectical investigation of objectified or fetishised forms of social mediation in capitalist society. In the first place, I critically engage with the contribution by authors associated with the so-called *Neue Marx-Lektüre* originated in Germany towards the end of the 1960s (Backhaus 1980, 1992, 2005; Reichelt 1982, 1995, 2005, 2007; Heinrich 2009; Fineschi 2009). Secondly, I also scrutinize the more widely circulated work of authors associated with so-called *Open Marxism* (Bonefeld y Holloway 1991; Bonefeld, Gunn y Psychopedis 1992a, 1992b; Bonefeld, Holloway y Psychopedis 1995; Bonefeld y Psychopedis 2005). In this latter case, I shall particularly focus on Werner Bonefeld's contribution (1992, 1993, 1995, 2014), who explicitly draws intellectual inspiration from Backhaus's and Reichelt's ideas (Bonefeld 1998, 2001, 2014), albeit within a framework which is more overtly *political*.[1] Furthermore, I shall discuss Richard Gunn's more 'philosophically-minded' take on *Open Marxist* themes, which probably

constitutes the more sophisticated and rigorous contribution to the methodological dimension of this approach (Gunn 1987, 1989, 1992).

In my view, perhaps the most interesting aspect of all these works is that they draw the implications of Marx's critique of political economy not only for the comprehension of the fetishised forms of social *objectivity* in capitalism, but also for the comprehension of the forms of *subjectivity* of the modern individual. In effect, all these contributions broadly share the view, correct as I see it, that the content of the simplest determination of human individuality in the capitalist mode of production is its alienated existence as personification of 'economic categories'. However, I shall show below that the limits of these perspectives become apparent when it comes to uncovering the grounds of the form of subjectivity which carries the immanent potentiality to transcend capitalist alienation, that is, when it comes to bring to light the determinations of the revolutionary subject.

In order to substantiate this argument, this article starts out by offering an in depth and detailed critical discussion of the *Neue Marx-Lektüre* and the *Open Marxist* approach, arguing that these authors fail to ground the emergence of revolutionary subjectivity in the immanent unfolding of capitalist forms of social mediation. In the former case, quite simply by leaving the *problematique* of the revolutionary subject outside the scope of the critique of political economy. In the case of *Open Marxism*, despite its valiant attempts at overcoming all exteriority in their conceptualisation of the relationship between human subjectivity and capital, they end up grounding the revolutionary transformative powers of the working class outside the latter's alienated existence as 'personification of economic categories'; more specifically, they end up grounding it in an abstract humanity lacking in social determinations.

Furthermore, the article develops this critical discussion along *methodological* lines demonstrating that the substantive weaknesses of both the *Neue Marx-Lektüre* and *Open Marxism* go hand in hand with an inadequate conception of the scientific-critical method needed immanently to discover the determinations of revolutionary subjectivity. More concretely, for these authors the Marxian scientific-critical method underlying the discovery of revolutionary praxis simply boils down to the analytic movement entailed by the '*reductio ad hominem*', through which the dialectical investigation traces the human origin of economic categories. The 'genetic' or 'synthetic' aspect of dialectics is thus relegated to the role of explaining the social constitution of the forms of objectivity of capitalist society and, at most, of the forms of subjectivity that bear their *reproduction*. However, according to this conception,

this second moment of the dialectical investigation has no role to play with regards to the comprehension of the foundations of revolutionary subjectivity.

In contrast to these perspectives, I develop an alternative approach inspired by the contribution to the critique of political economy of the Argentine scholar Juan Iñigo Carrera (1992, 2007, 2013) which, insofar as it attempts to provide an account of the revolutionary potentialities of the working class as immanent in its full determination as 'personification' of the movement of capital, differs from the two readings just outlined on the following two key methodological dimensions. In the first place, it is argued that insofar as revolutionary subjectivity is a 'unity of many determinations', its ground cannot be found at the 'level of abstraction' of commodity fetishism, as implicitly follows from the *Neue Marx-Lektüre* and the *Open Marxist* approach. In the second place, and as a consequence, it is shown that the critical moment of the Marxian dialectical method does not simply consist of the *reductio ad hominem*. The latter undoubtedly is the essentially analytic and Feuerbach-inspired approach deployed by Marx in early texts such as the *1844 Paris Manuscripts*. However, I maintain that Marx overcame the limits of the latter methodological perspective in the 'mature' versions of his critique of political economy (the *Grundrisse*, the *1859 Contribution* and, especially, *Capital*). In effect, in these latter works the discovery of revolutionary subjectivity immanently emerges out of the *synthetic unfolding* of the *totality* of form determinations of capital as the alienated concrete subject of the movement of modern society, with the commodity form as its necessary yet only *simplest* expression (and hence as the point of departure of the dialectical presentation which *culminates* with revolutionary subjectivity).

Method and practical critique from the *Neue Marx-Lektüre* to *Open Marxism*

Backhaus's and Reichelt's Neue Marx-Lektüre

We pointed out above that both the *Neue Marx-Lektüre* and its more politicised reception by *Open Marxism* in the Anglophone world share a particular conception of the method and significance of the Marxian critique of the fetishised forms of capitalist social mediation. In effect, in their reducing the critical moment of the investigation of commodity fetishism to the mere discovery of the human content behind the alienated objectivity of economic categories, it can be argued that these

authors develop what I have elsewhere termed a 'Feuerbachian' reading of this aspect of Marx's method in his 'mature' works (Starosta 2015). In other words, what eventuates is a variation of what Avineri referred to in his classic book as the method of *transformative criticism* that the young Marx had taken over from the author of *The Essence of Christianity* (Avineri 1993). In this sense, it would seem that there would be no essential methodological difference between the critical method of *Capital* and that which structures Marx's first attempt at the critique of political economy in the *1844 Paris Manuscripts*. The only difference would be that in Marx's later texts, he not only reduces alienated social forms to its human content but also answers (or does so more fully) the question as to why that content takes on such a fetishised form.

But 'if the point is to change the world', then the subsequent problem is how to turn the insight in the human basis of the alienated objectivity of economic categories into *practical critique*, that is, how to convert it into emancipating conscious practice. And it is here where, eventually, the recourse to a moment of exteriority to capitalist social relations tends to creep in as the source of the transformative powers of revolutionary action. Broadly put, for such Marxists the transformative powers of our action are located not in commodity-determined practice itself, but in the essential character of an abstract material content deprived of social determinations which is deemed 'logically' prior to its perverted social form as value-producing, albeit only appearing and existing immanently in and through it. For those readings, this mere discovery of the human content of 'economic categories' exhausts the thinking needed consciously to organise the practical critique of capitalism. Let us examine this matter more closely through a discussion of some of these contributions.

Perhaps a good place to start is the work of Hans-Georg Backhaus, who explicitly traces the Feuerbachian lineage of Marx's method of critique. According to Backhaus, from an initial application 'in his critique of the metaphysical theory of the state', Marx expanded the scope of this method to economic objects as material forms of self-estrangement, commensurable to its metaphysical and theological forms (Backhaus 2005, pp. 18–19). This 'critical genetic method' is said to have two main aspects – the critical and the anthropological. The former does not simply consist in describing and denouncing the existing contradictions between dogmas and institutions, but centrally aims at explicating the inner genesis or necessity of those contradictions (Backhaus 2005, p. 19). In turn, the anthropological aspect of the method involves an *ad hominem* reduction, the demonstration of the human basis of

the economic object as a material form of self-estrangement, which is thus rendered in its totality as an object of critique (ibid.). The critique of economic categories thus entails the transcendence of the economic standpoint (Backhaus 2005, p. 23).

In Backhaus's reading, this 'application' of the 'critical genetic method' to the discipline of economics is employed by Marx not only in his early writings (an indisputable fact as I see it), but also in his mature critique of political economy (Backhaus 2005, pp. 21ss). The main thrust of the critique remains the same: whilst economics:

> accept[s] economic forms and categories without thought, that is in an unreflective manner … Marx, in contrast, seeks to 'derive' these forms and categories as inverted forms of social relations (Backhaus 2005, p. 21).

The 'dialectical method of exposition' is thus essentially seen as the genetic development of those alienated forms of *objectivity* out of human sensuous practice. (Backhaus 2005, p. 22). The general method of critique does not change in this reading, only its terminology (Backhaus 2005, p. 25). In the words of Backhaus himself:

> In variation of this thought process, Marx argues in the mature *Critique* of 1859 that what the economists 'have just ponderously described as a thing reappears as a social relation and, a moment later, having been defined as a social relation, teases them once more as a thing' (Marx 1971, p. 35). If one replaces 'social relation' by 'appearance of humanness' and thing qua 'value thing' by the thing in 'difference from humanness' that, as a transcendental thing, is transposed in a sphere 'outside of Man', then the continuity of the fundamental character of Marx's critique of economics from the early writing to *Capital* becomes sufficiently clear (Backhaus 2005, p. 25).

Now, lest my argument be misread, my claim is not that these contributions from the *Neue Lektüre* see no methodological change whatsoever between Marx's early critique of economics and his mature version. My point is that they do not posit any change insofar as the nature of *critique* is concerned: the *reductio ad hominem* is considered to be the continuing ground for revolutionary praxis (Reichelt 2005, p. 38). Yet, this novel reading does develop two additional methodological elements which are relevant for the purpose of the present discussion.

In the first place, these authors argue that in Marx's mature critique, the genetic aspect of his method is not simply predicated on Feuerbach. Insofar as the 'inverted world of capital' (as self-valorising value) resembles Hegel's second supersensible world, 'which in its reality … contains within itself … both the sensuous and the first supersensible world', (Reichelt 2005, p. 32), Marx's mature critique also drew on Hegel's logic for the 'dialectical development of categories' (Reichelt 2005, p. 43). In other words, Hegel's dialectical method provided Marx with the general form of motion of *synthetic* exposition of the necessary sequence of form-determinations understood as 'objective forms of thought' (Reichelt 2005, p. 57).

Secondly, taking cue from Adorno's concept of society as the 'unity of subject and object', (Backhaus 1992, p. 56), which involves 'an ongoing process of inversion of subjectivity and objectivity, and vice versa', (Backhaus 1992, p. 60), both Backhaus and Reichelt posit the alienated determination of human beings as 'personifications of economic categories' or 'character masks', as a central element of Marx's dialectical method in *Capital* (Backhaus 1992, p. 60; Reichelt 1982, p. 168). While this insight could be a promising programmatic starting point for an attempt at a critical investigation of the determinations of revolutionary subjectivity, this is not a path that these German scholars follow. Their discussion unfortunately tends to remain at a very high level of abstraction, dealing with the simpler form determinations of capital. As *Endnotes* 2 write, 'class plays little role in the writings of Backhaus and Reichelt and they treat the question of revolution as outside their field of academic expertise' (Endnotes 2010, p. 99).[2] Nonetheless, it is possible to examine the practical implications of this approach by turning to the work of Werner Bonefeld who, as stated above, has not only introduced it into Anglophone Marxism, but also developed it further along resolutely political lines, i.e. by putting the revolutionary class struggle at the centre of his investigation (Endnotes 2010, p. 98).[3]

Bringing Politics into the Neue Marx-Lektüre: Bonefeld and Open Marxism

A recent article by Bonefeld on Adorno and social praxis is a fertile ground to discuss this issue. The starting point of Bonefeld's discussion is the recognition that in capitalism the 'subject's objectification exists in an inverted form, in which the thing subjectifies itself in the person, and the person objectifies him- or herself in the thing' (Bonefeld 2012, p. 125). In other words, Bonefeld takes up the Adornian insight, which originally triggered the *Neue Marx-Lektüre* (Reichelt 1982), that in this society individuals become determined as 'character masks' or 'agents of value': their social

activity becomes the activity of 'personifications of economic categories' (Bonefeld 2012, p. 124). In more overtly Adornian terms, Bonefeld speaks of this phenomenon as involving a specific 'objective conceptuality', which 'holds sway in reality (*Sache*) itself' (Bonefeld 2012, pp. 125–6). However, unlike Backhaus and Reichelt, Bonefeld explicitly poses the question of the implication of this form-determination of human individuality for emancipatory praxis, i.e. for revolutionary class struggle:

> The critique of political economy is not satisfied with perpetuating the labourer. Its reasoning is subversive of all relations of human indignity. Subversion is not the business of alternative elites that seek revolution as mere conformist rebellion – a revolution for the perpetuation of wage slavery. Their business is to lead labour, not its self-emancipation. Subversion aims at general human emancipation (Bonefeld 2010a, pp. 62–3).

The interesting thing about Bonefeld's answer to this question is that, at least in principle, he explicitly rejects those attempts at grounding 'resistance' against reification in an 'asserted subject conceived in contradistinction to society', and whose transhistorical basis would be the worker's 'humanity and soul' (Lukács), 'the inner transcendence of matter' (Bloch), a 'materialist instinct' (Negt and Kluge), or biopower (Hardt and Negri) (Bonefeld 2012, p. 131). In other words, Bonefeld is at pains not to relapse into any exteriority to the perverted forms of existence of the social individual as the ground for the revolutionary subject:

> And Adorno? He would have none of this. The idea that there is a world out there that has not yet been colonized by the logic of things is nonsensical. Instead of a concept of society, these differentiations of society into system and soul/transcendent matter/materialist instinct/bio-power separate what belongs together (Bonefeld 2012, p. 131).

Bonefeld elaborates further on this through a 'philosophical' discussion of Hegel's conception of the relation between essence and appearance (Bonefeld 2012, pp. 127–8). Essence, he argues following Hegel, has to appear (it cannot choose not to do so). Moreover, this appearance is its (only) mode of existence. This means that there is no exteriority to essence's actual manifestation, however perverted the latter might be: 'its appearance is thus at the same time its disappearance' (Bonefeld 2012, p. 128). Translated into social theory, this philosophical argument means that human

sensuous practice (essence) does exist as personification of economic categories (appearance), and that this inversion is no mere subjective illusion, but is all too real. Now, whilst this certainly allows Bonefeld to formally avoid relapsing into an externality between human subject and society, it begs the question as to how to avoid the political dead-end to which Adorno pessimistically succumbed? In other words, the question arises as to how to avoid the conclusion that 'there could be no such thing as emancipatory praxis because the reified world of bourgeois society would only allow reified activity' (Bonefeld 2012, p. 124)?

Here lies the crux of the matter, because, in my view, Bonefeld can remain true to the project of emancipatory praxis only by backtracking on his declamation to reject any exteriority between 'essence' and 'appearance'. Thus, right after claiming that the former vanishes in the latter, he endorses Adorno's claim in *Negative Dialectics* that 'objects do not go into their concepts without leaving a remainder' since 'the concept does not exhaust the thing conceived' (Adorno 1992, p. 13). According to Bonefeld, the critical move consists in 'opening the non-conceptual within the concept' (Bonefeld 2012, p. 130). This non-conceptual content, Bonefeld further argues, 'subsists within its concept but *cannot be reduced to it*' (Bonefeld 2012, p. 130, my emphasis). Crucially, *it is this moment of irreducibility of the content which, in its simplicity and unmediatedness, constitutes the ground of revolutionary subjectivity*. In other words, the latter is seen by Bonefeld as the expression of the direct affirmation of the ('non-conceptual') content. The fact that he does not see this affirmation as a pure positivity but only as negation of 'the negative human condition' (Bonefeld 2012, p. 130) makes no difference. The point is that the immediate 'source' of that negativity is located in the (formless) content itself: 'Subversion is able to negate the established order because it is "man" made' (Bonefeld 2010, p. 66). The postulate of immanence between content and form ultimately thereby remains just a formal declaration which is belied as the argument unfolds. In the end, an element of exteriority to alienated social practice creeps back in as the residual 'substance' of revolutionary subjectivity.[4]

We shall return below to the substantive shortcomings of this kind of approach. Here the important point to address is the implication of this conception of revolutionary subjectivity for the *meaning of science as critique*. Briefly put, for Bonefeld, dialectical critique comes down to the demystification of 'economic categories' by revealing their social constitution as perverted modes of existence of human activity, that is, by discovering sensuous practice as the negated content behind those reified forms of social mediation (Bonefeld 2001, pp. 56–9; and 2012, p.

127). What follows from this is that, for Bonefeld, the 'subversive' moment of Marx's methodological programme is essentially *analytic*: it consists in the discovery of the content of a determinate form. Drawing on the work of Backhaus commented on above (Bonefeld 1998), it is through *reductio ad hominem* that science as critique provides enlightenment on revolutionary practice.

The problem with this approach is, as argued elsewhere (Starosta 2008; Caligaris and Starosta 2014), that dialectical analysis is actually incapable of offering an *explanation* (hence comprehension) of the *raison d'être* of determinate concrete forms of reality. In moving 'backwards' from concrete form to content, dialectical analysis can at most reveal *what* are the more abstract determinations whose realisation is presupposed and carried by the immediate concrete form under scrutiny. But it cannot account for its 'why' (i.e. its fully unfolded immanent necessity). In this sense, although it does comprise a necessary methodological stage of dialectical research, the analytical discovery of the human content of fetishised relations between things can shed little light on the comprehension of revolutionary subjectivity. In fact, that was the scientific achievement of the Marxian critique of political economy as early as in the *1844 Paris Manuscripts*, which allowed him to grasp the *simplest* (human) determination behind the content and form of the abolition of the fetishism of capitalist social relations (Starosta 2015, Chapter 1). But the whole point of Marx's subsequent scientific endeavour was precisely to advance in the comprehension of the *further mediations* entailed by the material and social constitution of the revolutionary subject, which could only be the result of their *synthetic* ideal reproduction.

Evidently, this presupposes that one considers that there actually *are* further mediations that need to be unfolded synthetically in order fully to comprehend revolutionary practice. But this is what Bonefeld's approach denies. As I have argued, despite his critique of other perspectives that resort to the immediacy of 'an asserted subject externally counterposed to society', his own endeavour ultimately finds the immanent ground of revolutionary subjectivity in something simple and unmediated, i.e. the abstract materiality of 'sensuous human practice' which 'lives within and through relations between things'. Bonefeld's restriction of the subversive moment of dialectical critique to analysis is therefore perfectly coherent on this score. In his view, when it comes to revolutionary subjectivity, there are actually no *determinations* at stake, there is nothing to be explained. In other words, the revolutionary abolition of capital has no material, social or historical *immanent necessity* Bonefeld (2010, p. 64).[5] Its only 'necessity' is moral, the practical realisation

of the 'communist categorical imperative of human emancipation' (Bonefeld 2010, pp. 66, 77). In brief, the revolutionary abolition of capital is the result of an abstractly free and socially autonomous political action, represented as the absolute opposite of the alienated automatism of the capital form (albeit one that can only exist as 'negativity', i.e. in the struggles 'in and against' capitalist oppression):

> The existence of the labourer as an economic category does therefore not entail reduction of consciousness to economic consciousness. It entails the concept of economy as an experienced concept, and economic consciousness as an experienced consciousness. At the very least, economic consciousness is an unhappy consciousness. It is this consciousness that demands reconciliation: freedom turns concrete in the changing forms of repression as resistance to repression (Bonefeld 2010, p. 71).

It follows that the only thing that actually requires explanation is the social constitution of the fetishised forms of objectivity in which human practice exists in capitalism. In this sense, Bonefeld acknowledges that the critical power of the dialectical method involves not only analysis, but also, fundamentally, synthetic or 'genetic' reproduction. Thus, in an article on the meaning of critique, he approvingly quotes Marx's methodological remark that

> It is, in reality, much easier to discover by analysis the earthly kernel of the misty creations of religion than to do the opposite, i.e. to develop from the actual, given relations of life the forms in which these have been apotheosized (Marx 1976, p. 494).

However, this synthetic reproduction is recognised by Bonefeld as the only materialist and scientific method for the genetic development of perverted social forms, i.e. for the social constitution of fetishised *forms of objectivity* out of human relations. As far as forms of *subjectivity* are concerned, they might at most be considered part of the genetic development of forms only insofar as individuals 'act rationally as executors of economic laws over which they have no control' (Bonefeld 2012, p. 128), which for this approach is the only aspect under which human beings act as personifications of economic categories. But as for *antagonistic* forms of subjectivity and action, they seem to fall outside the scope of the systematic unfolding of 'economic categories' (except, of course, as instances of negation of the

latter's self-movement, i.e. as struggles *against* it). Thus, Bonefeld states: 'Does it really make sense to say that workers personify variable capital? Variable capital does not go on strike. Workers do' (Bonefeld 2010, p. 68). And they do so not as owners of labour power trying to secure the reproduction of their commodity. More importantly, the workers struggle daily against 'the capitalist reduction of human purposes to cash and product' (Bonefeld 2010, p. 72).[6]

In sum, for this kind of approach the synthetic movement of the dialectical exposition concerns the social constitution of 'economic categories' and the continuous process of reproduction of the constitutive premise of their existence at every turn of the conceptual development. Bonefeld locates this premise in the 'logic of separation' of labour from its conditions (Bonefeld 2011, p. 395), i.e. in the *formal subsumption of labour to capital*. But the systematic sequence does not entail any progress in the knowledge of the immanent determinations of revolutionary subjectivity. The significance that Bonefeld attaches to the culminating point of Marx's systematic exposition in Volume I of *Capital*, which for him should be better confined to the concept of *primitive accumulation*, is symptomatic in this regard.[7] The chapter on the 'historical tendency of capitalist accumulation' only matters insofar as 'it also continues the process of expropriation in its own terms, as capital centralization' (Bonefeld 2011, p. 394). As for the revolutionary expropriation of the expropriators and the bursting asunder of the capitalist integument that Marx posits as the necessary outcome of the alienated socialisation of private labour, Bonefeld considers that they should be left aside as 'desperately triumphal remarks' (Bonefeld 2011, p. 395). This should come as no surprise. As I have shown, according to his approach, revolutionary subjectivity is quite simply self-grounded in an abstract inner negativity, which is expressed, however 'contradictorily', in every manifestation of resistance to oppression.

At first sight, and in contradistinction to the 'fatalism' and 'quietism' entailed by orthodox perspectives that posit the supersession of capital in terms of the 'mechanic' impossibility of its expanded reproduction (i.e. the different versions of theories of capitalist breakdown), *Open Marxism* seems to extoll and 'empower' the political action of the working class. At the same time, this conception appears to avoid the lapse into the naïve immediatism and subjectivism characteristic of, for instance, so-called '*Autonomist Marxism*'.[8] However, I shall show in the next section that the *Open Marxist* perspective is also deeply problematic.

The limits of *Open Marxism*

The first fundamental substantive critical remark that can be made about the *Open Marxist* approach is that despite its valuable attempt to undertake an uncompromising and radical criticism of capitalist social relations in their totality, it ends up *naturalising* the *historically-specific social form of personal freedom* characterising the private and independent individual, i.e. the subjectivity of the commodity producer. As a consequence, this perspective cannot but lead to the practical impotence to abolish the fetishism of the commodity- and capital-forms of social relations. In order to substantiate this point, let us examine the matter more closely.

In effect, as Iñigo Carrera (2007, Chapter 3) forcefully argues in what I think is one of his most important contributions to the contemporary reconstruction of the Marxian critique of political economy, in capitalism free consciousness is neither the abstract opposite to nor the content of alienated consciousness. Instead, the consciousness that is free from all relations of personal subjection is but the mode in which the alienated consciousness of the commodity producer affirms through its own negation. In other words, the other side of the coin by which the human individual sees her/his social powers as the objective attribute of the product of social labour (i.e. value) is her/his self-conception as the bearer of an abstractly free, 'self-determining' subjectivity. Thus, it is by seeing herself/himself – and therefore practically acting – as abstractly free that the individual affirms and reproduces her/his alienated productive practice, that is, her/his social determination as personification of the objectified forms of the general social relation of production (the commodity, money, capital and so on).[9]

As Marx himself points out in the *Grundrisse*, the subjective form of personal freedom is but an expression of the fact 'that the individual has an existence only as a producer of exchange value' (Marx 1976, pp. 717–19):

> Therefore, when the economic form, exchange, posits the all-sided equality of its subjects, then the content, the individual as well as the objective material which drives towards the exchange, is *freedom*. Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all *equality* and *freedom.* As pure ideas they are merely the idealized expressions of this

> basis; as developed in juridical, political, social relations, they are merely this basis to a higher power. And so it has been in history. Equality and freedom as developed to this extent are exactly the opposite of the freedom and equality in the world of antiquity, where developed exchange value was not their basis, but where, rather, the development of that basis destroyed them. Equality and freedom presuppose relations of production as yet unrealized in the ancient world and in the Middle Ages. Direct forced labour is the foundation of the ancient world; the community rests on this as its foundation; labour itself as a 'privilege', as still particularized, not yet generally producing exchange values, is the basis of the world of the Middle Ages. Labour is neither forced labour; nor, as in the second case, does it take place with respect to a common, higher unit (the guild) (Marx 1993, p. 245).

Now, we have seen that despite *Open Marxism*'s valiant efforts to eliminate all exteriority between human productive practice and its alienated social forms of existence, when it comes to grounding the radical transformative powers of the working class, these authors end up reintroducing through the back door a 'moment' of subjectivity which is set into motion as an unmediated expression of the generic 'constitutive power' of human labour. Revolutionary action is thus not seen as undertaken by wage-workers in their alienated determination as *personifications* of their reified social being (i.e. capital). Instead, Revolutionary action becomes represented as *abstractly free* and the content of that freedom as working class *self-determination*. In other words, the source of the potentiality to achieve the revolutionary abolition of capital is seen as having no material and social determination other than the will of wage-workers who, through their irreducible refusal to subordinate their 'human dignity' to the 'cash nexus', unleash, albeit always in a 'contradictory' fashion (on which more below), the radical transformation of materiality of the social life-process.

This is openly manifest already in Bonefeld's early work (Bonefeld 1993, pp. 26-8), precisely in the way he appears to be at pains to overcome the externality between labour and capital extolled by 'Autonomist Marxists', without relapsing into a structural functionalism (e.g. Jessop 1991) that reduces class struggle to a form of the reproduction of capital and denies its capital-transcending potentialities (Bonefeld 1993, pp. 26–8). Bonefeld attempts to navigate through this antinomy by emphatically stressing the 'internal or dialectical relation' between labour and capital as one between material content ('the constitutive power of human practice') and its

alienated mode of existence ('social reproduction as domination'). Thus, it follows from this (allegedly) immanent nexus between content and form that alienation permeates all capitalist social existence, so that the two poles cut across every manifestation of class struggle (indeed, the singularity of each human subject): there being no privileged form of action which can be said to express the affirmation of a pure non-alienated subjectivity. 'Reform' ('labour as a moment of social reproduction in the form of capital') and 'Revolution' are therefore seen as constituting 'extreme poles of a dialectical continuum that social practice represents' (Bonefeld 1992, p. 102). However, in what I think is key to the argument of this paper, Bonefeld explicitly characterises the revolutionary moment of 'transcendence' as a 'process in and against capital *in terms of working class self-determination*', so that the resolution of the 'dialectical continuum' between 'Reform' and 'Revolution' is not determined but is 'open to the process of struggle itself' (ibid., *my emphasis*). In other words, this discussion makes evident that *Open Marxist*s consider that the moment of 'transcendence' (i.e. revolutionary subjectivity), even if always intertwined with 'integration' (the determination of the wage worker's alienated subjectivity as personification of the reproduction of capital), ultimately is the expression of working-class self-determination, that is, as an element of subjectivity that is not a mode of existence of (hence determined by) the capital form. The specifically revolutionary resolution of the class struggle is thereby seen as an *unmediated* assertion of this undetermined, residual and pristine human content lurking behind the fetishised social forms of capitalist society.

This leads us to a further weakness of the *Open Marxist* approach, which is of a more methodological dimension. Specifically, I think that despite the recurring insistence on 'internal or dialectical' relations, this perspective actually entails an external representation of the immanent nexus between the content and concrete form of revolutionary subjectivity in terms of a 'pseudo-dialectic' consisting in the 'unity of opposites'. This becomes apparent in its treatment of the notion of contradiction, which is usually initially postulated correctly (at least formally) as the self-negating form of existence of a determinate content (hence as the *self-movement of affirmation through negation*), but which then surreptitiously turns, in the very course of the same argument, in the 'intertwining' of two different *immediate affirmations*, extrinsically united in a process of 'struggle between antagonistic opposites' (Iñigo Carrera 2013, Chapter 1; Starosta 2015, Chapter 3). Although this should be already clear from Bonefeld's passages discussed above, it is thrown into even sharper relief in the work of Richard Gunn, who offers the most rigorous and in-

depth methodological discussion within the *Open Marxist* tradition. Interestingly and relevantly for the theme of this section, in what is a foundational article from this perspective, Gunn poses the question in terms of the contradictory relationship between freedom and alienation in capitalist society.

Gunn's point of departure is in itself already problematic, insofar as he overtly postulates 'freedom *qua* self-determination' as a general, hence transhistorical, feature of the human species being, this being what distinguishes the latter from other natural forms of the material world (Gunn 1992, p. 28). But what is actually of interest here is the way in which he confronts the question of alienation in capitalism and its revolutionary overcoming, which is posed by Gunn as involving the following paradox:

> If we move *freely* then we were not unfree to begin with, but if we move unfreely then freedom (at any rate in the sense of self-determination) can never be the result (ibid., p. 29).

The 'trick', Gunn continues, 'has to be to see unfreedom as a mode of existence of freedom' (ibid.). In this sense, he concludes that in reality there is no such thing as *un*freedom, but 'unfree freedom, freedom subsisting alienatedly, i.e. in the mode of being denied' (ibid.). In brief, and leaving aside for the moment the inverted form in which he represents the nexus between 'freedom *qua* self-determination' and alienation in capitalism, it is clear that so far his argument revolves around the self-negating affirmation of a determinate content in its concrete form of realisation, that is, the movement of contradiction.

How, according to Gunn, does this contradiction between the essential content of freedom of human subjectivity and its alienated mode of existence develop into the form of a revolutionary action that puts alienation to an end? In order to examine this question, let us now turn our attention to a more recent article (co-authored with Adrian Wilding) in which, in the context of a sympathetic critical assessment of John Hollow's book *Crack Capitalism* (Holloway 2010), the two authors revisit and elaborate further this question (Gunn and Wilding 2012; see also Gunn and Wilding 2014). The terms of the problem remain the same, albeit now approached from a slightly different angle: the apparent antinomy that they track down in Holloway's book between what they call the 'attractive' view of revolution, according to which freedom already exists in a pristine and undistorted form in a pre-revolutionary situation (thus making the revolutionary task clearly possible but all too

simple and voluntarist), and the 'unattractive' view, which assumes that freedom is literally absent in a pre-revolutionary situation (which sounds more 'realistic' but, according to these authors, makes it impossible for freedom to be the result of revolution) (Gunn and Wilding, pp. 178-80). The solution to this antinomy is, in line with Gunn's argument reviewed above, to acknowledge *both* that revolution effectively is an act which ends voluntary servitude and therefore 'is an expression and articulation of already-free action' (Gunn y Wilding 2012, p. 178) *and* that in a pre-revolutionary social world, such freedom exists but in a 'distorted' or 'self-contradictory and alienated' form (Gunn y Wilding 2012, pp. 181–2). Thus, the question is seen as involving a transition from a situation in which freedom already obtains but in an alienated form (pre-revolutionary situation), to a situation in which freedom exists in an uncontradicted and non-alienated from (revolution) (Gunn y Wilding 2012, p. 182). In other words, for Gunn and Wilding, mediation only pertains to capital-reproducing 'moments' of subjectivity, but not to the revolutionary 'pole of the continuum', which is seen as an affirmation of the human being's innately free self-determining subjectivity that 'breaks through' its alienated 'integument'.

This shows very clearly in the way they conceptualise 'uncontradicted self-determination', in a twofold sense. In the first place, when they claim that in a generally non-revolutionary situation, such an uncontradicted self-determination already makes its appearance within an alienated society, albeit in a 'proleptic or prefigurative' fashion, in and through 'islands of mutual recognition' in the 'cracks and fissures' of a contradictory social world (Gunn and Wilding 2014). Out of the blue, human life is now turned into the *unity of two intertwining opposites*: an alienated pole for the greater part of social existence and a free one in those 'islands of mutual recognition'. In the second place, it is noteworthy how they construct their concept of freedom on the basis of Hegel's concept of recognition as played out in the Master-Slave dialectic from Chapter IV of his *Phenomenology of Spirit* and further developed historically in Chapter VI, which culminates with the discussion of patterns of recognition in the French Revolution. In other words, they construct the ground of the communist revolution based on a conceptual framework whose actual content is but the emergence and concrete development of the modern, capitalistic 'self-determining' freedom of the commodity owner out of relations of personal dependence, which is ideologically presented by Hegel in an inverted fashion as the movement of an abstract individual self-consciousness deprived of social determinations.[10] As a consequence of all this, their critique of Holloway's occasional appeal to a 'pristine' or 'undistorted' freedom is thus limited to noting that 'such an

immediacy that lies outside alienation's realm' cannot be taken 'as starting point' for the search for the genesis of revolutionary subjectivity within a non-revolutionary situation (Gunn and Wilding 2012, p. 184), yet it does constitute the 'key' to (i.e. the content of) its interstitial emergence and eventual proliferation. Hence, despite their best efforts, *Open Marxist*s end up sneaking an abstractly free subjectivity through the backdoor as the ground for the revolutionary transformation of society. In the end, the difference from the Autonomists comes down to a more sober and cautious *subjective attitude* when assessing 'really-existing' working-class struggles. Against the 'euphoric and triumphalist poetry that prevails in various *Autonomia*-influenced accounts', Gunn and Wilding's *Open Marxist* perspective 'allows for respect for a reality principle (in Freud's sense)' (2012, p. 182), a 'word of warning' about the 'difficulties' and 'complexities' involved in revolution. But the ground of revolutionary subjectivity in an abstractly free and self-determined subject remains the same.

Now, from where does this notion of free (*qua* self-determining) subjectivity by nature, which constitutes for these Marxist authors the content of revolutionary action, arise? Certainly not from the imagination of the theorist. When looked at more closely, we can realise that it is in fact the concrete form of the alienated consciousness abstracted from its content and transformed into its 'logical' opposite. It is from that apparent exteriority that free subjectivity is posited as the source of the revolutionary negation of alienated subjectivity. Emancipation is positioned as the removal of the inevitable external coercion imposed by social objectivity upon the natural self-determination of apparently free consciousness. In other words, that reading aspires to get rid of the commodity, money, capital and the state *precisely on the basis* of the immediate affirmation of the concrete form of the most general subjective form of existence of alienated human practice which is the necessary complement of those forms of objectivity, namely: the personal freedom of personifications of commodities.[11] Which is, quite simply, an oxymoron. In sum, the connection between science as critique and the abolition of the fetishism of capitalist social relations needs to be approached differently. In the next section, we propose and develop such an alternative perspective.

Commodity fetishism and science as practical critique

As anticipated in the introduction, I think that a fruitful alternative perspective can be found in the substantive and methodological contributions of Iñigo Carrera to the critique of political economy. According to this reading, the question of science

as critique must be approached in a radically different manner. More concretely, it is about a development of the dialectical method which, insofar as it recognises knowledge's own immanent material determination as the organisational 'moment' of human action, gives science the specific form of *practical critique*. In this sense, the proper starting point and immediate object of the dialectical critique of political economy is the question about the conscious organisation of the radical transformative action which aims at revolutionising the forms of social life. This means that it is not just a question of the centrality of class struggle as the fundamental 'substantive abstraction' that constitutes the *object* of an abstractly theoretical process of cognition, which therefore renders it inevitably external to practice, despite rhetorical claims to the contrary in the name of the 'immanence of theory within its object' (Gunn 1992; Bonefeld 1992, 1995). Instead, it is a matter of the scientific inquiry into the conscious self-organisation of one's own transformative action in its singularity, albeit acknowledged as an individual organic moment of such radical collective action. To put it differently, at stake in radically critical scientific cognition is the objective knowledge of the social determinations, the immanent necessity, of our own individual action beyond any appearance (Iñigo Carrera 1992, p.1). Only on this basis is it possible to attain the voluntary revolutionary transformation of the social world.

From the standpoint of the scientific-critical method which is necessary for the immanent discovery of revolutionary subjectivity, both the *Neue Marx-Lektüre* and the *Open Marxist* approach conceive of the 'defetishising' moment of the critique of political economy as limited to the analytical movement of '*reductio ad hominem*' by which cognition traces the human origins of objectified forms of capitalist social mediation. However, at least with regards to knowledge of the grounds of revolutionary subjectivity, the properly *critical* moment of dialectical research is exhausted in the exposition of the most simple and general expression of capitalist alienation, that is, in the 'fetishism of commodities'. By contrast, my own alternative perspective on Marx's dialectical investigation of the determinations of the commodity form (commodity fetishism included) leads to a different conclusion regarding the connection between revolutionary praxis and these simpler fetishised forms of the general social relation of production which mediate the unity of social life.

True enough, in this process of cognition we become aware of the human content of the objective social powers borne by the commodity. However, what follows from this insight is not that we therefore immediately carry the power to

negate the commodity form of our general social relation. Rather, it follows that whatever power we might have to radically transform the world must be a concrete form of the commodity itself. Yet, far from revealing the existence of that transformative power, the abstract determinations of social existence contained in the commodity form show no potentiality other than the reproduction of that alienated social form. So much so that the free association of individuals (the *determinate* negation of capitalism) appears in Chapter 1 (incidentally, precisely in the section on fetishism) as the *abstract* opposite of value-producing labour and hence, as the *extrinsic* product of the *imagination* of the subject engaged in that process of cognition. Thus, Marx starts that passage referring to communism by saying 'let us finally *imagine* …' (Marx 1976, p. 171, *my emphasis*).

Thus, the defetishising critique of revolutionary science does not simply consist in discovering the constituting power of a generic human practice as the negated content of capitalist alienated forms, which would constitute the ground for our revolutionary transformation of the world. Rather, it involves the production of the self-awareness that the reproduction of human life in all of its moments, *including our transformative action*, takes an alienated form in capitalism. The immediate result of the demystifying critique of the fetishism of commodities is to become conscious of our own alienated existence, i.e. of our determination as personifications or 'character masks'. This *is* our general social being and there is no exteriority to it. Fetishism is total which, in turn, means the social powers of our transformative action are effectively borne by the product of labour and we cannot but personify them.

This obviously bears on the question discussed earlier on the relationship between alienation and freedom. Specifically, this means that upon consciously discovering the social basis of the value form, we do not cease to be determined as its personifications and become able to affirm an abstractly free self-determining action. What this discovery changes is, as Iñigo Carrea puts it, that our social determination as personification of the commodity no longer operates behind our backs (Iñigo Carrera 2007, p. 204). In this way, we do affirm our freedom. However, we do so not because we realise that 'in reality' we are free beings by nature and could thereby 'choose' to 'stop making capitalism' if we tried hard enough, i.e. if we *turned our backs* on our social being (Cf. Holloway 2010). Instead, through the critical investigation of the value form we affirm our freedom because we come *consciously to cognise* our own determination as alienated social subjects (Iñigo Carrera 2007, p. 204). Armed with that objective knowledge of the alienated nature of our subjectivity,

we could *consciously act upon* those alienated determinations in order to transform them in the direction of their revolutionary transcendence. Still, this would only be possible if those determinations actually carried the objective potentiality for their self-abolition, which is something that the simple commodity form of social relations does not show. This does not mean that commodity fetishism cannot be abolished. It only signals the need to move forward in the dialectical investigation of the more concrete social determinations of its revolutionary abolition.

Perhaps a good way to clarify this argument is by examining a methodological external remark that Marx introduces when discussing the function of money as means of payment in the 1859 *Contribution to the Critique of Political Economy*. It is worth quoting that profoundly rich text at length:

> But the metamorphosis of commodities, in the course of which the various distinct forms of money are evolved, transforms the commodity-owners as well, and alters the social role they play in relation to one another. In the course of the metamorphosis of commodities the keeper of commodities changes his skin as often as the commodity undergoes a change or as money appears in a new form. Commodity-owners thus faced each other originally simply as commodity-owners; then one of them became a seller, the other a buyer; then each became alternately buyer and seller; then they became hoarders and finally rich men. Commodity-owners emerging from the process of circulation are accordingly different from those entering the process. The different forms which money assumes in the process of circulation are in fact only crystallisations of the transformation of commodities, a transformation which is in its turn only the objective expression of the changing social relations in which commodity-owners conduct their exchange. New relations of intercourse arise in the process of circulation, and commodity-owners, who represent these changed relations, acquire new economic characteristics (Marx 1987, p. 371).

This passage could be read as a kind of *dynamic* development of the alienated determination of human productive individuality, whose simplest expression Marx presented through the discussion of the fetishism of commodities. As I have argued elsewhere (Starosta 2015, Chapter 5), in the latter text Marx unfolds the way in which the productive consciousness of the private individual unconsciously posits its own immanent determinations in the external form of the

value-objectivity. Subsequently, he shows how the very subjectivity of the commodity producer becomes determined as the personification of those objectified forms of social mediation it had unconsciously engendered. What we have here is a statement of the transformative dynamics structuring the constitution of novel forms of subjectivity as an expression of the further concretisation of the 'law of value' beyond its simplest form. It is, as it were, the 'law of private subjectivity' that regulates the development of further concrete forms in which human beings act as 'personifications of economic categories'.

Certainly, those more complex forms in which the movement of value attains unity remain 'only the objective expression of the changing social relations in which commodity owners conduct their exchange', i.e. their simplest (social) content remains the general productive relation between human beings. However, the real inversion of those social relations as attributes of things means that human beings cannot consciously control the self-transformation of their subjectivity (at least not with the determinations unfolded up to that point). This transformation thereby occurs 'behind their back' as a result of the self-movement of the alienated forms of objectivity through which their social metabolic process takes place. As those objectified forms self-develop and change, commodity owners 'who represent these changed relations, acquire new economic characteristics', i.e. they progressively emerge from the circulation process wearing different 'character masks' from those with which they entered.

In the passage above, Marx specifies the forms of subjectivity that have emerged up to that particular stage of his presentation. More concretely, he mentions the figure of simple commodity owner, buyer and seller, hoarder and rich man. However, the implication of this discussion is that commodity owners shall undergo further 'changes of skin'. Thus, a few pages later he develops the figure of debtor and creditor (Marx 1987, p. 373), noting also how the corresponding general ideological forms change as well. From religion as the ideological form corresponding to the hoarder, we now move to jurisprudence as the one corresponding to the subjective form of creditor (ibid.). Furthermore, 'as money develops into world money, so the commodity owner becomes a cosmopolitan', the general ideological form of which is that of 'cosmopolitanism, a cult of practical reason, in opposition to traditional religious, national and other prejudices which impede the metabolic process of mankind' (Marx 1987, p. 384).

The fundamental point of this discussion is that those passages from the 1859 *Contribution* bring out very nicely a fundamental aspect of Marx's 'systematic

dialectic': it includes both the forms of *objectivity and subjectivity* of capitalist society. But additionally, they implicitly contain important methodological insights into the way in which the genesis of different forms of subjectivity should be materialistically investigated, namely, as necessary mediations of the autonomised self-movement of forms of objectivity. This, I think, is the only method which allows us *immanently* to ground forms of consciousness and will (i.e. subjectivity) *within* the movement of present-day social relations. Crucially, my central claim is that if we want to stay true to this materialistic approach, this method should not only 'apply' to 'value-reproducing' forms of subjectivity and action, *but must also include revolutionary subjectivity as well*. In other words, the form of 'revolutionary political subject' (more specifically, of our own subjectivity as an individual organ of such a collective class subject) must be immanently unfolded as a much more developed mode of existence taken by the original commodity owner with which the dialectical exposition started.

To put it in more general terms, *the immanent ground of revolutionary subjectivity is not simple and unmediated*. Instead, it is a 'unity of many determinations', which therefore means that its scientific comprehension can only be the result of a complex dialectical investigation involving both the analytic movement from the concrete to the abstract, and the synthetic, mediated return to the concrete starting point, i.e. revolutionary transformative action. Dialectical research must therefore analytically apprehend all relevant social forms and synthetically reproduce the 'inner connections' leading to the constitution of the political action of wage labourers as the form taken by the revolutionary transformation of the historical mode of existence of the human life process.

Now, if the 'reproduction of the concrete in thought' shows that the determinations immanent in the commodity form do not carry, in their simplicity, the necessity of transcending value-production, the search for the latter must move forward unfolding the subsequent concrete forms in which the former develop. Our process of cognition still needs to go through more mediations in order to become fully aware of the necessity of our action in the totality of its determinations, i.e. beyond any appearance presented by it. In order to develop the plenitude of its potentiality, this conscious development must reach a concrete form of our alienated social being which embodies a determinate potentiality whose realisation: (a) entails the abolition of alienated labour itself; and (b) has our transformative action as its necessary concrete form. In sum, revolutionary action must personify a concrete

determination of value-producing human practice; a determination, however, whose realisation precisely consists in the abolition of value production itself.

In this sense, far from exhausting science's 'critical-practical moment', the ideal reproduction of the commodity form and its fetish-character (in the unity of its analytic and synthetic phases) is thereby but the *first step* in the broader process of dialectical cognition through which the subject of revolutionary transformation discovers the alienated character of her/his social being and, consequently, of her/his consciousness and will (including her/his transformative will). However, this process also produces the awareness of the historical powers developed in this alienated form and, consequently, of the revolutionary action that, as sheer personification of 'economic categories', the emancipatory subject needs to undertake (Iñigo Carrera 2013). Such development of those subsequent determinations whose unity underlies the constitution of the working class as revolutionary subject obviously exceeds the scope of this paper. However, by way of conclusion, in the final section I sketch out the essential moments of the systematic-dialectical unfolding of the movement of the capital form whose historical tendency leads to the necessity of its self-abolition in the concrete form of the radical transformative action of the proletariat.[12]

Concluding remarks: from the commodity to the revolutionary subject

I pointed out earlier that, from a materialist perspective, the necessity underlying the social constitution of the revolutionary subject should immanently derive from the unfolding of the potentialities of the commodity producer from which the dialectical exposition started, which make the latter undergo a 'change of skin'. However, the transformations at stake are not exhausted with those commodity producers's experience as a result of the subsequent determinations of the general circulation of commodities as such. In fact, the very development of the full potentialities of the general commodity circulation process shows that their realisation involves their self-transcendence into an internal moment of the circulation of capital (Marx 1976, pp. 247–50). In becoming capital, value – the materialised social relation of the private and independent individuals – turns into the concrete *subject* of the process of circulation of social wealth. In turn, the commodity and money, the particular and the general mode of existence of mercantile wealth, become determined as transitory forms which value-as-capital takes in its process of self-expansion (Marx 1976, p. 255). The alienation of the human individual thus

reaches a new stage. It is not only about a process of social production mediated by the value form of the product. Nor is it even about one that simply has value as the direct *object* of the exchange process. The objectified abstract labour represented as the exchangeability of commodities has taken possession of the potencies of the process of circulation of social wealth itself. This moment of the human life process is turned into an attribute of the life cycle of capital, which has the production of more of itself, i.e. its *quantitative* increase or the production of *surplus value*, as its only general *qualitative* determination.

Now, although having circulation as its point of departure and hence with this sphere as one of its moments, the process of value's self-expansion pushes beyond circulation itself. The movement of capital shows the necessity to find within the circulation of commodities a commodity whose use value for capital is to produce more value than it costs. The existence of the doubly free worker provides capital with this requirement (Marx 1976, p. 270). As an independent human being, this worker can freely dispose of her/his individual productive powers (Marx 1976, p. 271). However, insofar as she/he is deprived of the objective conditions in which to externalise her/his personally-free subjectivity, she/he must give her/his labour power the form of a commodity to be sold on the market to the immediate personification of capital (Marx 1976, p. 272). As stated above, it is through the appropriation of the use value of this peculiar commodity that capital is able to valorise itself. The exposition must therefore develop the determinations of the process of consumption of labour power, which takes place 'outside the market' (Marx 1976, p. 279). In this way, Marx's presentation demonstrates how capital not only becomes the subject of the process of circulation of social wealth, but also turns into the formal subject of the labour process, which it subsumes as the material bearer of its self-valorisation. And this means that the production of use values, *hence of human life*, has ceased to be the immediate content of the movement of social reproduction and has become the unconscious or 'blind' outcome of the production of surplus value, that is, of the *alienated content* presiding over the movement of modern society. This is where the formal specificity of capital as an *indirect*, hence *fetishised*, general social relation resides. From this point onwards, the dialectical exposition will show that individuals, *precisely* for being the *material* subjects of this process (rather than 'in spite of'), shall become fully *form-determined* as personifications of different determinations emerging out of the movement of value's self-valorisation.

Thus, with the development of the content of the general social relation into the process of capital's self-valorisation, commodity owners who 'who represent these changed relations, acquire new economic characteristics'. In the first place, they become differentiated, respectively, into personifications of money-as-capital (the capitalist) and the commodity labour power (the wage-worker). Secondly, given the peculiarity of this latter commodity, the antagonism immanent in the purchase of labour power transcends the circulation process and carries over into the conditions of appropriation of its use value in the direct process of production, i.e. into the determination of the *normal* duration of the working day (Marx, 1976, pp. 342-3). Furthermore, this analysis shows that the realisation of the *full value* of labour-power, and therefore its long-term reproduction in the very conditions that capital in general (as opposed to the individual capital) demands from the wage worker as the only source of surplus value, is not independent from the determination of the *extensive* magnitude of its productive consumption (Marx 1976, p. 343). The purchase of the commodity labour power can thereby only be resolved by making the antagonistic relationship between its buyer and seller transcend its merely individual character in order to take the concrete form of *class struggle* (Marx 1976, pp. 344ff). The latter thus becomes determined as the most general *direct* social relation between *collective personifications of commodities* which mediates the establishment of the unity of the essentially *indirect* relations of capitalist production ruled by the valorisation of capital. In other words, though clearly an 'endemic' reality of the capitalist mode of production, the class struggle is not '*ontologically*' but *socially* constitutive of capitalism, since capitalists and wage-workers, *as owners of commodities* (not as embodiments of ontologically different principles of social reproduction), personify social determinations of the process of valorisation of capital whose realisation is antagonistic. More generally, this implies that the determinations implicated in the mere existence of labour power as commodity, or the merely *formal subsumption* of labour to capital, do not give the class struggle the transformative potentiality to go beyond the capitalist mode of production. In this simple determination, the political action of the working class only exists as a necessary concrete form of the *reproduction* of capitalist social relations and not of its revolutionary overcoming.[13]

As a matter of fact, the unfolding of the sequence of form determinations shows that the socio-historical genesis of the emancipatory subject can actually be found in the transformations in the *materiality* of social life brought about by the *real subsumption* of humanity to capital; more specifically, in the concrete form of *large-*

scale industry which constitutes capital's most developed method of production of relative surplus value. In effect, as Marx shows in *Capital* and the *Grundrisse*, through the constant revolution in the material conditions of social labour, capital transforms, contradictorily but progressively, the productive subjectivity of wage workers according to a determinate tendency: they eventually become *universal labourers*, that is, organs of a directly collective productive body capable of self-consciously ruling their individual participation in the social metabolic process by virtue of their power scientifically to organise the production process of any system of machinery and, therefore, any form of social co-operation.[14] In other words, the *alienated* social necessity arises for each individual member of the collective labourer to be produced as a subject that is fully and objectively aware of the social determinations of her/his individual powers and activity and who therefore consciously recognises the social necessity of the expenditure of her/his labour power in organic association with the other producers. However, this form of productive subjectivity necessarily collides with a social form (capital) that produces human beings as *private and independent individuals* who consequently see their general social interdependence and its historical development as an alien and hostile power borne by the product of social labour. The determination of the material forms of the labour process as bearers of objectified social relations can no longer mediate the reproduction of human life. *Capital accumulation must therefore come to an end and give way to the free association of individuals*. This is the inner material *content* of social life which is expressed in the *form* of the political revolutionary subjectivity of workers.

In sum, it is the historically-determined necessity for the all-sided and directly social development of the universality of productive attributes of workers beyond its capitalist 'integument' – though generated by the alienated movement of capital itself – that is realised in the concrete form of the communist revolution. And this means that *the revolutionary political consciousness of the working class can only be a concrete mode of existence of their productive consciousness*. In other words, what the revolutionary movement realises (its content) is, fundamentally, the transformation of the materiality of the productive forces of the human individual and, *therefore*, of their social forms of organisation and development. It is about a *material* mutation of the production process of human life, which takes concrete shape through a *social* transformation, which, in turn, expresses itself through a *political* action.

On the other hand, this also means that revolutionary powers are not 'self-developed' by the workers, but are an alienated attribute that capital puts into their

own hands through the transformations of their productive subjectivity produced by the alienated socialisation and universalisation of labour through which the production of relative surplus value takes place. This is the reason why *revolutionary consciousness is itself a concrete form of the alienation of human powers as capital's powers*. The abolition of capital is not an abstractly free, self-determining political action, but one that the workers are *compelled* to undertake as *personifications* of the alienated laws of movement of capital itself. When the workers consciously organise the revolutionary abolition of the capitalist mode of production, they do so not as the incarnation of the powers of an abstract human practice deprived of social determinations, but as 'character masks' or 'representatives' of the inverted existence of the powers of their social labour, i.e. capital. The point is that it is an alienated action that *in the course of its own development* liberates itself from all trace of its alienated existence. Paraphrasing the above-quoted passage from the *1859 Contribution,* individuals 'emerging from the reproduction process are accordingly different from those entering it'. They enter it as wage workers personifying capital's need to produce relative surplus value. Yet, in the course of the revolutionary action they undertake as such personifications, they 'change skin' and emerge as consciously (thus freely) associated fully developed social individuals. In this sense, what sets capital-transcending political action apart from capital-reproducing forms of the class-struggle is its specific determination as a political action that is fully conscious of its own alienated nature, i.e. of personifying a necessity of capital. However, by becoming conscious of their determination as a mode of existence of capital, revolutionary workers also discover the historic task that as fully conscious yet alienated individuals they have to undertake: the supersession of capital through the production of the communist organisation of social life.

Finally, let us briefly draw the main implications of all this for one of the central methodological issues on which this paper has focused, namely, the determination of *science as critique*. In a nutshell, this discussion suggests that the content and product of the process of cognition entailed by the critique of political economy is therefore not the awareness of the *external circumstances* of a self-determining action. Instead, it is the self-awareness of the *inner material and social determinations* of our own alienated transformative action. Thus, dialectical social science does not look outside our action in order to comprehend the 'objective conditions' that 'constrain' its abstractly free affirmation, but rather, in penetrating its immediate appearances (including that of being abstractly free), goes right 'inside' it.

In this way, the field of human practice is never abandoned. Moreover, only by virtue of its *dialectical form*, involving both its analytic and synthetic moments, does the critique of political economy become determined as the fully conscious organisation of human practice in the capitalist mode of production and, hence, as the revolutionary science of the working class (Iñigo Carrera 2007, pp. 7-8).

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[1] For a concise historical and intellectual contextualisation of the *Neue Marx-Lektüre* in English, see Endnotes 2010 and Bellofiore and Riva 2015.

[2] It goes without saying that the treatment of the question of revolution as 'outside their field of expertise' by scholars whose research programme revolves around the Marxian notion of *critique* seems quite odd, to say the least. The real reason seems to reside at a deeper level and is actually political. As *Endnotes 2* further remark: 'Most accounts of the *Neue Marx-Lektüre* understand as one of its main characteristics to be a rejection of Marx's attribution of an historical mission to the proletariat and a sensibility of scepticism towards the class struggle has been prevalent on the German Left' (2010, p. 98). Moreover, although seldom discussed explicitly by these scholars, there are certain passages in their work which give the impression that they would tend to locate the source of revolutionary subjectivity in a moment of human individuality which transcends its alienated existence as 'character mask': 'Marx presents the humans themselves only insofar as they have intercourse with one another as character masks. Insofar as they come into relation with one another as individuals, they are not the object of the theory. Insofar as they act as individuals, they withdraw from the building of theory in this specific sense; there they anticipate something which still has to be constructed' (Reichelt 1982, p. 168). If my reading is correct, rather than simply residing 'outside their field of expertise', for these scholars revolutionary subjectivity would lie outside the scope of the dialectical presentation of 'economic categories'.

[3] For an earlier assessment of the relation between value-form theory, systematic dialectics and revolutionary politics, see also the discussion provided by Eldred 1981.

[4] In more concrete terms, Bonefeld puts it as follows: 'For example, the conceptuality of the wage-labourer as a personification of variable capital entails what it denies. It denies sensuous practice, and this practice is immanent in the concept wage-labour. Sensuous practice exists within the concept of variable capital in the mode of being denied – sensuous practice cannot be reduced to the concept of variable capital – it subsists within its concept but cannot be reduced to it. Further, for variable capital to function, it requires the ingenuity and spontaneity of human purposeful practice. Yet, this too is denied in its concept' (2012, p. 130). The revolutionary class struggle is seen by Bonefeld as an expression of that sensuous human practice that 'variable capital' denies. In actual fact, his point seems to be that all struggles by workers express something more than their social determination as personifications of 'variable capital', namely, their 'human social autonomy' and 'freedom'. That is why they can always potentially develop, in and of themselves (i.e. not as expressions of any concrete social determination), into communist struggles. See: Bonefeld 2010a, pp. 68–72.

[5] Taking at face value the orthodox Marxist *mechanistic* (hence extrinsic) notion of determination of subjectivity for the only available one, Bonefeld can only see in the idea of historical necessity an accommodating and passive attitude towards the alienated laws of motion of capital. It can never be

the point of departure for the conscious organisation of its practical abolition: 'The future that will come will not result from some objective laws of historical development but will result from the struggles of today. The orthodox argument about the objective laws of historical development does not reveal abstract historical laws. It reveals accommodation to "objective conditions", and derives socialism from capitalism, not as an alternative but as its supposedly more effective competitor. There is no universal historical law that leads humankind from some imagined historical beginning via capitalism to socialism. Neither is history on the side of the working class. History takes no sides: it can as easily be the history of barbarism as of socialism' (Bonefeld 2010a, pp. 63–4).

[6] Strictly speaking, workers do not go on strike as 'variable capital', but as owners of the commodity labour power. Be that as it may, the point is that they do it in full accordance with their alienated social being as 'executors of economic laws that they cannot control' and not in 'defiance' of them.

[7] It is also symptomatic that in his otherwise rigorous, stylised reconstruction of the systematic sequence of Marx's exposition in *Capital,* Volume I, the concrete forms of production of relative surplus value are absent (Bonefeld 2011b, pp. 392–5). As we shall see later on, it is precisely in those chapters on the *real subsumption of labour to capital* that Marx unfolds (albeit incompletely) the determinations of revolutionary subjectivity.

[8] Perhaps the most paradigmatic expression of the grounding of revolutionary action in a pure 'autonomous creativity' of the subject within Marxism can be found in the Autonomist's 'inversion of class perspective' centred on the concept of working-class 'self-valorisation', which designates the self-determined positive power to constitute new practices outside capitalist social forms (Cleaver 1992, pp. 128ff; De Angelis 2007, pp. 225ff). Furthermore, this pure affirmation of the working class as autonomous subject is considered as (onto)logically prior to its 'co-option' or 'repression' by capital, deliberately represented, in line with post-structuralist thinking, as an external and self-constituting 'disciplinary' power (Hardt 1993). Thus, according to De Angelis, the theoretical starting point for the understanding of revolutionary subjectivity must be the self-sustaining *affirmation* of the multiplicity of needs, aspirations, affects and relations of human subjects (De Angelis 2005).

[9] Note in this regard that from a materialist standpoint the meaning, content and scope of freedom can only derive from its role in the organisation and development of human *productive* subjectivity. It follows that complete freedom does not consist in the absence of all social determination (hence *necessity*) in the affirmation of human individuality (with alienation thereby conceived of as the external imposition of social relations of objective compulsion that would 'constrain' an otherwise naturally and absolutely self-determining subjectivity). Instead, fully-developed freedom consists in the self-conscious control by each human being over the *twofold immanent* character (individual and social) of her/his productive action, that is, over her/his *individual* participation in the *inherently social* process of human metabolism. Thus considered, the simplest *material* determination of the personal freedom of the private and independent producer consists in the full conscious control of the individual character of human productive action at the expense of all conscious control over its immanent general social character (Iñigo Carrera 2007, pp. 51ff.). In this sense, the overcoming of the fetishism of capitalist social relations entails the progressive *transformation of the very historical and social form of human freedom*, whose *material content or substance* thereby involves the '*aufheben*' of the personal freedom of the private and independent producer. In other words, while *preserving* the full conscious control over the individual determinations of human labour, *each working subject* must *also* be *materially-equipped* with the *full conscious knowledge* of the social determinations of her/his individual labour. Only under these circumstances, 'expending their many different forms of labour-

power in full self-awareness as one single social labour force', and hence *rationally recognising the necessity* to affirm their own subjectivity as individual organs of a directly collective productive body, can the human life process eventually take the historical form of an 'association of free men [*Mensch*]', which consequently overcomes the fetish-character of the commodity as the general objectified form of social mediation (Marx 1976, p. 171).

[10] In this context, it comes as no surprise that Gunn and Wilding also draw inspiration from La Boétie's *Discourse on Voluntary Servitude*, an author from the mid-sixteenth century who is evidently confronting the question of the dissolution of *direct* relations of authority and subjection between human beings in the face of the expansion (probably unstoppable by that stage) of the commodity as the *general indirect* form of social mediation. Indeed, the voluntary servitude which the *Discourse* discusses and aspires to put an end to is that which is subject to the *personal* power of the 'tyrant'. In other words, the *Discourse* is but a very early ideological expression of the historical emergence of the personal freedom of the personifications of commodities (whereas Hegel's *Phenomenology* is a later expression of its consolidation and generalisation).

[11] Some authors do develop and subject to criticism the notion of bourgeois individuality. But the latter is reduced to *individualism*, that is, to the *atomistic* affirmation of that abstractly free subjectivity. Hence, the collective, solidaristic affirmation of that very same subjectivity in the form of class struggle is seen as the absolute opposite of alienated subjectivity (or, at least, as embodying the immediate potentiality to 'self-develop' into such an absolute negation of bourgeois individuality). See, for instance, Shortall's derivation of a 'counter-dialectic of class struggle' – i.e. 'the potential class subjectivity of the working class' – that 'comes to delimit the functioning of the dialectic of capital', and whose foundation resides in the presupposition of the worker 'as both a free subject and as *non-capital*' (Shortall 1994, pp. 128–9, original emphasis). By contrast, as I have shown elsewhere, the solidaristic collective affirmation of that abstractly free subjectivity is but a more concrete realisation of the very same alienated content, hence, of the reproduction of capital (Starosta 2015, Chapter 7).

[12] For a more in-depth and extensive examination of these issues, see Starosta 2015.

[13] In contrast to my reading, Psychopedis (2005, pp. 80–1) sees in the implementation of legal norms to regulate the working day an immediate expression of the 'logic of revolution' already at work. Writing from a broadly understood '*Open Marxist*' perspective, Psychopedis grounds revolutionary subjectivity in the affirmation of a generic human materiality that exists in the mode of being denied, i.e. in an alienated social form. On this score, his argument does not substantially differ from that of Bonefeld discussed earlier in this article. However, Psychopedis gives the overall argument an idiosyncratic twist. In his own words, 'the dialectical presentation is not simply a matter of contrasting the "bad form" with the "good contents"' (Psychopedis 2005, p. 80). Instead, it is a matter of 'the demonstration that in capitalism the social forces of production become forces of destruction', so that 'this form poses a real threat to the continued existence of this materiality' (Ibid). The ground of the revolution is thereby seen as residing 'in the attempt of preserving the conditions of life' in the face of capitalism's destructive tendencies and the ultimately *unstable* character of the capitalist state's direct regulation of the material conditions of social reproduction, insofar as 'in the long run capital cannot tolerate regulations that reduce the profit margin' (Psychopedis 2005, p. 81). As compared to Bonefeld's approach, this train of thought has the merit of acknowledging that the foundation of revolution is not contained in the *simplest* contradiction between human content and reified form, but in a *more concrete determinate expression* of that contradiction. The further dialectical exposition of form-determinations beyond commodity fetishism thus becomes more meaningful for the discovery of the

social foundation of the emergence of the revolutionary subject. Nevertheless, Psychopedis still relapses into grounding revolutionary subjectivity in an element which is external to the contradictory self-movement of the capital form: revolution is seen as the affirmation of an abstractly self-determining struggle for society's survival in response to capital's destructive barbarism. Thus, the necessity of revolution is not *immanently* carried by the capital form; instead it is carried by the reproductive conditions of an abstractly conceived 'society' lacking in form-determinations, whose existence is 'thwarted' by its subsumption under the capital form. In the end, Psychopedis's account comes down to a more sophisticated version of Luxemburg's 'socialism or barbarism', i.e. of the classical Marxist view of socialism as the 'only salvation for humanity' in the face of 'war, famine and disease' (Luxemburg 1971, p. 367).

[14] Note, however, that Marx's respective presentations of this question in *Capital* and the *Grundrisse* differ in focus. While in the former text he rather one-sidedly unfolds this tendency for the production of universal productive subjects as it results from the increasing degradation of the wage-workers' particularistic dimension of their productive subjectivity, albeit meagerly offset by the compulsory elementary education clauses contained in the Factory Legislation (Marx 1976, pp. 545, 614-18), in the 1857-8 manuscript he offers a fuller picture of these determinations by also bringing to light the opposite movement of universalistic *scientific expansion* of human productive subjectivity which is entailed by the system of machinery (Marx 1993, pp. 699-700, 705-6, 709). In this sense, a systematic development of the grounds of revolutionary subjectivity in the real subsumption requires that both text be read together. For a more detailed treatment of this point, see Starosta (2015, Chapters 8 and 9).

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On value and abstract labour: A reply to Werner Bonefeld

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Abstract

This article offers a reply to Werner Bonefeld's recent contribution to the debate on value and abstract labour, in which he critically engages with our previous articles dealing with these questions. We argue that Bonefeld's criticisms are not simply based on disagreements over these controversial issues, but also on a misunderstanding of our stance on abstract labour and value. In addition to clarifying our position, the article provides some brief critical remarks on Bonefeld's own intervention in the debate and shows that his contribution fails to offer a solid analysis of the fundamental categories of the critique of political economy.

Keywords

value, abstract labour, materiality, social form

Werner Bonefeld has recently published an article in this journal (Bonefeld, 2010), in which he critically examines our contribution to the Marxian debates on the nature of abstract labour and value (Kicillof and Starosta, 2007a; Kicillof and Starosta, 2007b; Starosta, 2008). While we welcome the critical reactions that our articles have stimulated, we feel that Bonefeld's criticisms are not simply based on disagreements over these controversial issues, but also on a misunderstanding of our position on those more

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abstract determinations of the capitalist mode of production. Since we believe that this misunderstanding has led Bonefeld to fail to reconstruct our argument accurately, we would like to use this short note to clarify our stance on abstract labour and value. Also, we shall offer some brief critical remarks on Bonefeld's own intervention in the debate. In this way, we shall argue that despite his claim to make explicit what is already implicit in Marx's treatment of abstract labour and value in *Capital* (Bonefeld, 2010: 261), he actually departs from the latter considerably. More importantly and regardless of 'what Marx really said', we show that Bonefeld's contribution fails to offer a solid analysis of the fundamental categories of the critique of political economy.

At the broadest possible level, Bonefeld rightly captures the essence of our argument: namely, we claim that while value is the simplest economic form specific to the capitalist mode of production, abstract labour (i.e. the former's social substance) is a material expenditure of human corporeality that bears no historical specificity (Bonefeld, 2010: 259, 270). However, beyond this very general point, which Bonefeld finds 'intriguing' (Bonefeld, 2010: 259), he misunderstands and/or misreads our position on several scores. Here, we shall mention only a few of them.

In the first place, he states that we 'see abstract labour as a transhistorical category that in capitalism is "represented" by the value-form' (Bonefeld, 2010: 259), when we state very clearly that it is *materialised* or *objectified* abstract labour that is socially represented in the form of value (or 'coagulates', in Marx's parlance. See Marx, 1976a: 142). This might seem an all-too-subtle difference, and therefore a minor issue. But this is precisely one of the central points on which, among other things, our critique of the circulationist view of labour as becoming abstract through the exchange of commodities against money rests (Kicillof and Starosta, 2007a: 20; Marx, 1976a: 152-3).

Second, Bonefeld misrepresents our careful textual reconstruction of Marx's dialectical presentation in the opening chapter of *Capital*. Where we state that Marx's initial discovery of abstract labour in the first few pages of Chapter 1 only brings out the physiological materiality of abstract labour without actually explaining why this productive expenditure of human corporeality in general objectifies in the historically-specific form of value (Starosta, 2008: 308), Bonefeld reads exactly the opposite: that 'the analytical reduction of value to its substance reveals only the capitalist representation of abstract labour – it does not tell us anything about its generic materiality' (Bonefeld, 2010: 260).[1] In addition, we explicitly argue that Marx's starting point is the commodity as the most abstract form of capital (thus a social form specific to the capitalist mode of production) (Kicillof and Starosta, 2007b: 16, Kicillof and Starosta, 2007a: 28) and that, as a consequence, his dialectical presentation consists in the 'ideal reproduction' of the 'immanent determinations' characterising this historical form of social wealth (Kicillof and Starosta, 2007a: 35; Starosta, 2008: 298). This should be done by taking 'the individual product in our hand and [analysing] the formal determinants that it contains as a commodity and which stamp it as a commodity' (Marx, 1976b: 1059). And yet, according to Bonefeld, we state that 'before developing the capitalist categories, Marx first sought to "discover" their generic material presupposition' (Bonefeld, 2010: 260).[2]

Third, we are said to postulate that 'class struggle rests on and develops the fundamental contradiction between transhistorically conceived materiality and social form' (Bonefeld, 2010: 261). Bonefeld seems to have in mind here the contradictory existence

of abstract labour as a generic material determination which in capitalism acquires a historically-specific social determination as substance of the most general social relation, namely, value (Bonefeld, 2010: 258). In other words, he appears to be suggesting that we consider the class struggle as the unmediated expression of this latter contradiction of the capitalist mode of production (Bonefeld, 2010: 269). But, on the one hand, we argue that the essential immanent contradiction of capitalism is between its *historically specific materiality* and its social form. This is why we highlight capital's inner *tendency* for the development of the *universality* of productive subjectivity, which only this mode of production brings about, and only on the basis of previously achieved historical presuppositions (Kicillof and Starosta, 2007a: 39; Kicillof and Starosta, 2007b: 30; Starosta, 2011; Marx, 1993: 162). This entails a historically specific socialisation and universalisation of the *concrete character of labour*. In this strict sense, the materiality of abstract labour is of no immediate relevance to our argument. And far from endorsing positivist notions of progress (Bonefeld, 2010: 272), we explicitly note the alienated character of this historical process and the material mutilation of their productive subjectivity that workers suffer due to the inverted existence of their social being as an attribute of dead labour (Kicillof and Starosta, 2007a: 37). On the other hand, the whole gist of our critique of De Angelis revolves around the historicity of class struggle as a specifically capitalist social form. More precisely, against its widespread 'ontologisation' in many Marxist currents, we see the class struggle as the most general collective *direct* social relation through which the *indirect* unity of social labour through the commodity form asserts itself (Kicillof and Starosta, 2007b: 28). In other words, in our approach the foundation of the class struggle is socially mediated through and through, and has nothing to do with an abstract, unmediated contradiction between transhistorical materiality and social form, as Bonefeld believes.

Finally and more importantly, Bonefeld further claims that we consider that 'the transhistorical materiality of abstract labour obtains through specific historical forms' (Bonefeld, 2010: 272: 259), presumably because, in his (mis)reading, we allegedly argue that 'abstract labour is the material foundation of the human metabolism with nature' (Bonefeld, 2010: 259). Against this, we actually state that it is labour in its material unity as conscious productive activity (which always has a two-fold material character, abstract and concrete), that constitutes the specifically human form of the life process, i.e. the human species-being (Kicillof and Starosta, 2007a: 19-20). As for abstract labour and its 'historically changing social forms', we are absolutely emphatic and unequivocal that, despite its character as a generic material determination of labour, its role as mediator in the establishment of the unity of the social character of productive activity is uniquely capitalist (Kicillof and Starosta, 2007b: 16). Since this is probably the main source of Bonefeld's confusion over our position, we shall say a few more words on this crucial point.

Perhaps the single most important point that we tried to make in our articles in this regard is that the contemporary view of abstract labour as the specifically capitalist form of labour, downplays, or simply obliterates, the actual historical character of value-producing labour. This historical specificity, we argued, lies in the *private and independent* form taken by social labour (or private labour for short). Our contributions therefore were not simply a case for the generic material nature of abstract labour but, more fundamentally, an attempt to restore the centrality of private labour in the debate over the

determinations of the value-form.[3] In order to bring out this historical specificity and the determination of abstract labour in it more clearly, let us first examine the case of non-capitalist societies.

All those 'first social forms' that precede capitalism (whether patriarchal, ancient or feudal) were based on direct personal relations in production (Marx, 1993: 156), in which the process of social reproduction was established through the 'natural or political super- and subordination of individuals to one another' (Marx, 1993: 159). Although all individual labour also had a social character in those societies, the material unity of the process of human metabolism as a whole was consciously organised before production actually took place and, therefore, 'it was the distinct labour of the individual in its original form, the particular features of his labour and not its universal aspect that formed the social ties at that time' (Marx, 1987: 275). In other words, it was the *concrete* character of labour, its particularity, which directly or immediately realised the establishment of the material unity of the social division of labour (Marx, 1976a: 170). This does not mean that abstract labour, as the universal or general aspect of the materiality of the labour of the individual (i.e. the expenditure of brains, nerves, muscles, etc., regardless of its particular form), did not exist or had no reality. But it did not act as the social form of individual labour and, consequently, its materialisation in the product (its existence not as 'motion' but as 'rest' – see Marx, 1993: 143) did not have to be socially represented in the form of value or in any other social form whatsoever. When social labour is consciously organised through direct social relations, 'there is no need for labour and its products to assume a fantastic form different from their reality' (Marx, 1976a: 170). This is why Bonefeld cannot find any reference to other historical forms of social representation of abstract labour in our papers other than the capitalist form (Bonefeld, 2010: 259). To put it in plain English, it follows from our approach that there are no other historically specific social forms of representation of (congealed) abstract labour. And note that, in opposition to what Bonefeld believes we think, this applies to communist society as well. As the fully conscious organisation of the social life-process by the thereby free individuality of universally developed individuals (Marx, 1993: 158), communist society will not mediate the establishment of the unity of social labour on the basis of the abstract or general materiality of individual labour (i.e. of abstract labour). As much as the first social forms based on relations of personal dependence, the communist stage of development of the human species-being will establish the social character of labour on the basis of its concrete character. Communism consequently does not entail the affirmation of the abstract character of labour as social mediator beyond its capitalist integument. It involves the abolition both of value and of the alienated social determination of abstract labour as substance of that objectified form of social mediation. *Contra* Bonefeld, however, it does not and cannot conceivably entail the abolition of the abstract character of labour either, whose material determination as universal aspect underlying the varied useful kinds of labour remains a 'physiological fact' (Marx, 1976a: 165). The object of revolutionary action is not the overcoming of abstract labour but of private labour, through the conscious production of the direct association of the thereby truly free individuals.

Let us now return to the private character of labour that defines the historical specificity of the capitalist mode of existence of human productive activity. This mode of

production 'presupposes the dissolution of all fixed personal (historic) relations of dependence in production, as well as the all-sided dependence of the producers on one another' (Marx, 1993: 156). This means that at the very moment when the human individual has to set into motion the expenditure of her productive subjectivity in a particular concrete form, the only remaining social nexus among the private producers is that each of them embodies an aliquot part of the total labour power of society (Iñigo Carrera, 2007: 51). As Marx puts it in the section on the fetishism of the commodity, 'from this moment on, the labour of the individual producer acquires a twofold social character' (Marx 1976a: 166).[4] As in any other mode of production, she has to expend her productive subjectivity in a socially useful form. However, she has no manifest direct social relations that could tell her how to articulate the exertion of the individual labour power that she embodies with the needs of the rest of society. The material unity of the social division of labour is thus manifested indirectly through the determination of the products of labour as generally exchangeable things, i.e. as bearers of value. But as we argued at length in our articles (Kicillof and Starosta, 2007a: 22), this *social* equivalence of different use-values as commodities can only be premised on the *material* identity of the varied useful labours as a physiological expenditure of human labour power in general, that is, 'as labour whose materiality as the expenditure of human labour power has not yet assumed a specific concrete form' (Iñigo Carrera, forthcoming). The private labour of the commodity producer thereby acquires a second, historically specific social character that must mediate the affirmation of the first sense of labour's sociality discussed above. Its material or physiological aspect as human labour in general (i.e. as abstract labour) has to socially relate the varied privately undertaken labours by 'congealing' in the form of the 'ghostly' objectivity of value (Marx, 1976a: 166). But in doing so, abstract labour does not abstractly negate its generic material nature; instead, it gives this materiality a unique social determination in the establishment of the unity of social labour. To put it differently, abstract labour as such cannot be simply identified with value-producing labour. The latter actually is *privately performed (socially necessary) abstract labour*. The following passage from Marx's section on the form of value (hardly a Ricardian one!), nicely and succinctly captures this twofold determination of abstract labour in capitalist society (material/generic and social/historically specific):

> The innumerable equations of which the general form of value is composed equate the labour realized in the linen with the labour contained in every other commodity in turn, and they thus convert weaving into the general form of appearance of undifferentiated human labour. In this manner the labour objectified in the values of commodities is not just presented negatively, as labour in which abstraction is made from all the concrete forms and useful properties of actual work. Its own positive nature is explicitly brought out, namely, the fact that it is the reduction of all kinds of actual labour to their common character of being human labour in general, of being the expenditure of human labour-power.
>
> The general value-form, in which all the products of labour are presented as mere congealed quantities of undifferentiated human labour, shows by its very structure that it is the social expression of the world of commodities. In this way it is made plain that within this world the general human character of labour forms its specific social character (Marx 1976a, 159-60).[5]

Bonefeld on value and abstract labour

Methodologically, Bonefeld's perspective on abstract labour can be inscribed within the broad tradition initiated by Rubin, which we have already extensively critiqued in an earlier article (Kicillof and Starosta, 2007a: 16 and ff.). Briefly put, through an axiomatic declaration of principles that stated that 'political economy does not analyse the material-technical aspect of the capitalist process of production, but its social form' (Rubin, 1973: 1-2), Rubin dogmatically ruled out from the outset all possible material character in the determination of abstract labour. As we have argued, the result was the formalist substitution of a 'sociological theory of abstract labour' for Marx's analysis of the commodity. Along the same lines, Bonefeld adopts an idiosyncratic 'social form-analytical' approach that, by definition, 'says that capitalist economic categories do not have a transhistorical validity' (Bonefeld, 2010: 263). And also like Rubin and in opposition to Marx, he 'applies' this approach to the 'concept' of abstract labour instead of starting out 'from the simplest social form in which the labour-product is presented in contemporary society' (Marx, 1975: 198) and seeing what the analysis of this 'concretum', the commodity, tells us about its own immanent determinations (including abstract labour among them). In this way, Bonefeld unsurprisingly concludes what he already knew from the beginning on the basis of his general methodological principles: namely, that 'abstract labour is a specific capitalist form of labour' and that to claim otherwise inevitably ends up naturalising capitalist economic categories (Bonefeld, 2010: 259). Again like Rubin, he assumes that in order to secure his conclusion he needs to deprive abstract labour of all generic materiality.[6]

Bonefeld, however, admits that our reading of *Capital* is on strong textual grounds, but seems to attribute this strength to an alleged ambiguity on Marx's part in the treatment of abstract labour. According to Bonefeld, 'he defines it in asocial physiological terms, and insists that it is a specifically capitalist form of labour' (Bonefeld, 2010: 258).[7] But rather than being ambiguous, the logic of his argument should lead him to claim that Marx's treatment of abstract labour is definitely and simply *wrong*. In effect, in the section on the twofold character of labour, Marx states that 'if we leave aside the determinate quality of productive activity, and therefore the useful character of the labour, what remains is its *quality* of being expenditure of human labour-power (…) a productive expenditure of human brains, muscles, nerves, hands, etc.' (Marx, 1976a: 134, emphasis added).[8] The originality of Bonefeld's contribution lies precisely in the rejection of the validity of this initial analytical move in which Marx discovers the abstract or universal aspect of the materiality of human labour by abstracting from its concrete particularity.[9] Whereas most Marx scholars who see abstract labour as historically specific would not deny this 'physiological fact', but would argue that this is not the correct 'concept' of abstract labour as substance of value (and some would also claim that Marx tended to confuse the two), *Bonefeld directly denies the reality of a material identity among the various kinds of useful concrete labours, irrespective of the problem of the connection between this 'physiological' abstract labour and value-production.*[10] For Bonefeld, 'in (material) reality' there is only concrete labour; the physiological identity between different useful labours has no materiality, hence no reality.

> The real existence of labour is always concrete. Every physiological expenditure of labour is expenditure of concrete labour. That is, physiological expenditure of labour entails a specific productive application, and is thus concrete. Muscles do not burn sugar in the abstract. *Labour is concrete labour, not labour in the abstract.* (Bonefeld, 2010: 266)[11]

This outright rejection of the reality of the physiological determination of abstract labour leads Bonefeld to challenge Marx's discovery of a material identity between the various kinds of useful labours as sheer expenditures of human labour power. Instead, he argues that 'if we abstract from the useful labour expended on a product, we do not discover the so-called "generic materiality" of abstract labour. What we find is matter, something for use, furnished by Nature' (Bonefeld, 2010: 264).[12] But if this is so, how is it possible for different commodities to establish an exchange relation given that, as Bonefeld rightly claims, 'exchange cannot take place without equality, and equality not without commensurability' (Bonefeld, 2010: 265)? Since in his view, this commensurability cannot be grounded on the universal material determination of all human labour, he must of necessity conclude that that this equality is 'socially imposed' on irreducibly diverse concrete labours. This social imposition, his argument goes, is actually the subsumption of the variety of human activities to 'abstract time' (Bonefeld, 2010: 262).

According to Bonefeld, the reality of abstract labour and its objectification is not the premise of the exchange of use values as commodities (i.e. as material bearers of value), but rather is in the first place 'forcibly brought about by exchange' (Bonefeld, 2010: 264). This abstraction then 'projects the ghost of value that achieves validity in the form of money, back into production (…) that sucks living labour dry, reducing it to a "time's carcass"' (Bonefeld, 2010: 266). In so far as products are exchanged, concrete labours come to be considered as labour in motion that is in turn measured by labour time, 'a time of abstract, constant, and equal time units, measured by clock time', an 'homogeneous and empty time' (Bonefeld, 2010: 268). In other words, the 'abstraction' that socially forces the equalisation of otherwise irreducibly unequal human labours is their subjection to the same economy of time, so that 'the expenditure of labour does not occur in its own good time. It occurs within time – a time made abstract, and imposing' (Bonefeld, 2010: 267). Thus, in this view the different private labours are not socially related as equal on the basis of their existing material equality as expenditures of human labour power regardless of its form. Rather, their equality is forcibly imposed upon their irreducible material heterogeneity through their social reduction to an embodiment of abstract time. Strictly speaking, then, it is not first and foremost labour that becomes abstract but, more fundamentally, the time that measures concrete labours (the abstraction of labour being derivative of this according to Bonefeld's train of thought).[13]

This theoretical construction definitely parts company with the analysis of the commodity made by Marx, who after discovering the abstract character of labour as the substance of value asks, 'How, then, is the magnitude of this value to be measured? By means of the quantity of the "value-forming substance", the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days, etc.' (Marx, 1976a: 129). In other words, (socially necessary) labour-time determines the *magnitude* of value or constitutes value's *quantitative* determination. But the abstract character of (privately-undertaken) labour constitutes the substance of value and therefore constitutes its *qualitative* determination.

Moreover, as the quote from Chapter 1 reproduced in the previous section makes clear, abstract labour plays that part in the qualitative determinacy of value not simply as abstraction from concrete particularity, but in its 'positive nature' or *quality* as expenditure of labour power in general. In brief, whereas Marx in *Capital* clearly distinguishes between the qualitative and the quantitative determination of value, Bonefeld conflates them and actually converts the determinant of the magnitude of value into its qualitative content. Thus he approvingly quotes Bensaid's confused view that 'time appears simultaneously as measure of value and as its substance' (Bensaid 2002: 80, cited in Bonefeld, 2010: 267). Very much like Rubin's contribution, Bonefeld's approach suffers from a conceptual collapse or amalgamation of categories, not only value and abstract labour, but also their qualitative and quantitative determinacy.[14]

Still, Bonefeld's contribution cannot be simply read as a reinstatement of Rubin's position. In fact, he recognises limitations in Rubin's circulationist strand of thought (Bonfeld, 2010: 274). Thus, he tries to reconcile some of the insights found in the circulationist approach with a perspective that gives the sphere of production its due place in the determination of the value-form. He partly draws on the works of Chris Arthur and of Riccardo Bellofiore, but also takes insights from De Angelis's view of abstract labour as imposed work and therefore a concrete form of the class struggle (Bonefeld, 2010: 267). We have offered an in-depth critical assessment of the latter perspective in an earlier article in this journal, so we will not repeat our arguments here. Bonefeld, however, does not engage with our detailed critique of the idea of abstract labour as a mode of existence of the class struggle.

More importantly, Bonefeld's argument on abstract labour is either circular or incomplete. Thus, he grounds the abstract character of labour as activity in the projection of the ghost of value 'forcibly brought about by exchange' (i.e. the form of general exchangeability of commodities) back into production. But this begs the question of how different use-values can become formally identical, and thereby establish an exchange relation in the first place. Surely not on the basis of their identity as materialisations of abstract labour, since, according to Bonefeld, the latter is explained by the exchange relation itself. As we argued in our critique of Rubin and his contemporary 'circulationist' followers, to postulate that commodities are equal because they exchange and that they exchange because they are equal involves a logically fallacious reasoning. Alternatively, he would have to ground the abstract character of labour in a further social form taken by social labour, but this analytical step is missing from Bonefeld's account, thereby rendering his explanation incomplete.

Endnotes

1. On this specific point, Bonefeld completely glosses over the relevant methodological distinction between the analytic and synthetic phases of the dialectical exposition that is more fully developed in Starosta (2008).
2. This obviously does not preclude the possibility that the dialectical analysis of the commodity encounters more abstract determinations that pertain to the social production process in general, and are therefore not specific to capitalist society. However, two methodological points are in order. First, these more general determinations are not discovered as external presuppositions of the concrete social form under investigation, but as an aspect of its immanent content. This means that they are not discovered by finding the common elements

between capitalism and other modes of production (and here Marx's methodological remarks on 'production in general' in the 1857 Introduction are insufficiently dialectical, or at least not rigorous enough). Instead, they are discovered by searching 'within' the singularity of the individual commodity as the simplest economic 'concretum' of capitalist society (Marx, 1975: 199). Following from this, the judgement about the validity or relevance of these more abstract determinations should not be the result of the application of general methodological principles, whether 'historical materialist' or 'form-analytical'. Dialectical analysis must proceed by 'reflecting in ideas the life of the subject-matter' (Marx, 1976a: 102) without any methodological prejudice.

3. It also aimed at emphasising the materiality of private labour as a historic form of development of human productive subjectivity. Bonefeld overlooks these other, more important aspects of our intervention in the debate. In fact, the private character of labour is mentioned only once in Bonefeld's article and, furthermore, in a rather confused (if not incoherent) formulation: 'The peculiar social character of labour in capitalism comprises the existence of private labour as "directly social in its character"' (Bonefeld, 2010: 263). The essence of the private character of labour is precisely the indirect nature of its immanent social character!
4. This means that the negation of the individuality of the human subject implied in her reduction to mere bearer of an aliquot portion of the total social labour power emphasised by Bonefeld is a historically specific determination. However, it does not follow from this that it is not the individual material expenditure of human corporeality that produces value, as he further concludes. It only means that, from the perspective of value-production, the only exertion of individual labour power that matters is that which is socially necessary (Kicillof and Starosta, 2007a: 32; Marx, 1976a: 129; Marx 1986, 274).
5. As we shall see below, Bonefeld evidently reduces abstract labour to its 'negative' determination as 'abstraction from the concrete character of labour' and wholly misses its own 'positive' nature.
6. One possible source of Bonefeld's misunderstanding of our position is that he seems to be projecting his own formalistic method onto our substantive argument. Thus, he sees our approach as a mirror image of his own: all categories should be treated as a unity of an invariant generic material content and a historically specific social form. At this stage of our argument, it should be clear that nothing could be farther from our method.
7. Unfortunately, we are afraid that we cannot return Bonefeld's complimentary comment on the textual strength of our reading of Marx's *Capital*. The textual evidence supporting his claim that Marx insists that abstract labour is a specifically capitalist form of social labour is rather weak. In fact, like Rubin he tends to conflate value and abstract labour (simply assuming on the basis of general methodological principles that if value is specific so must be its substance, which is precisely what he should actually demonstrate). He then takes passages in which Marx is referring to value and 'applies' them to abstract labour. For instance:

> 'Marx conceives of abstract labour as a "purely social reality" that can only appear in the social relations of "commodity to commodity" (Marx, 1983: 54)'. (Bonefeld, 2010: 259)

   The text that Bonefeld is paraphrasing is from the second paragraph of section three of Chapter 1, 'The form of value or exchange-value', but a cursory reading suffices to see that Marx is unequivocally referring to value as having a purely social reality and not to abstract labour.
8. The reason for the emphasis in 'quality' will become clear below.
9. The full grounding or actual explanation of this initial analytic discovery (the 'why' rather than the 'what') occurs only later in Marx's presentation, in the synthetic phase of the dialectical exposition in chapter one that starts in Section 3 'The form of value or exchange-value'. On this, see Starosta (2008).

10. Cf. Rubin and his tripartite division of the concept of labour into 'physiological labour', 'socially-equalised labour' and 'abstract labour'. Similarly, Murray (2000) distinguishes between the general concept of abstract labour and the capital-specific 'practically-abstract labour'. As we have argued in relation to Rubin, the introduction of additional categories obscures rather than sheds light on the inner connection between materiality and social determination of abstract labour in capitalism (Kicillof and Starosta, 2007a: 23). Be that as it may, note that even authors on whom Bonefeld relies heavily do not seem to deny the reality of the physiological determination of abstract labour. They just do not consider that that is the relevant concept as the substance of value. Thus, Heinrich dismisses the physiological definition because it is a 'mental abstraction, in which at any rate any labour can be subsumed, irrespective of whether it is commodity-producing or not' (Heinrich, 2008). However, he does not seem to question the reality of the physiological determination.
11. Bonefeld seems to be offering a peculiar reason for his rejection of the reality of a material identity between different kinds of labour (i.e. of 'physiological' abstract labour), namely: it cannot be apprehended through sensuous perception. 'Abstract labour is not a substance that one can touch, see, smell or eat' (Bonefeld, 2010: 266).

    Unless we are missing something, this statement relapses into the crudest kind of empiricism, which seems strange coming from someone who has made interesting and sophisticated methodological contributions to dialectical thought (see, for instance, Bonefeld, 1992). The fact that a certain determination is only accessible to us by means of thought or what Marx calls the 'power of abstraction' (i.e. by means of the specific attribute that sets our species-being apart from other life-forms) does not deny its materiality. No one can touch, see, smell or eat gravity. And yet it is obviously a real material determination of all bodies, as anyone jumping out of the window can tell.
12. We have to confess that we are simply perplexed by Bonefeld's denial of the reality of the underlying universal material identity between different useful labours. For us, and Marx seemed to believed this as well, it is just a self-evident fact. We are afraid we cannot even find ways of engaging with that view.
13. In our view, there is nothing historically-specific about 'abstract' time per se. Time is a *quantitative* differentiation of nature in which therefore *quality* is sublated (see Hegel, 1999: 189, although as usual he inverts the real determination into a category of 'pure thought' which is then repeated in an external form in nature). In this sense, time is always 'abstract' if by this we mean indifference to quality. As Marx notes in the passage that Bonefeld quotes, this temporal dimension of nature exists in human activity as well: 'Just as motion is measured by time, so is labour by *labour time*', which is 'the living quantitative aspect of labour as well as its inherent measure' (Marx, 1986: 272). What Bonefeld describes as 'abstract time' is actually a concrete *expression* of the alienated relation of human beings to the materiality of their own life-activity entailed by value-production. And this obviously includes its temporality. But it is not the *ground* of the value-producing character of labour.
14. Before *Capital*, Marx himself had not fully established the 'positive material nature' of abstract labour as expenditure of labour power in general. That is why it is possible to find several occasions on which he uses formulations that conflate qualitative and quantitative determinacy of value and abstract labour, especially in the *Grundrisse* but even as late as the 1859 *Contribution*. On this, see Iñigo Carrera (forthcoming). Bonefeld himself acknowledges that there is a potential tension in the way he handles qualitative and quantitative moments of the determination of value, but does not see this as a problem since 'there is no substance without measure' (Bonefeld, 2010: 273 fn. 12). This is true enough, but that is precisely the reason why his sheer dissolution of qualitative determination into quantitative determination of value is problematic: he is postulating a 'measure without a substance', that is, without a quality whose magnitude is being measured.

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The Commodity Nature of Labor-Power

GUIDO STAROSTA and GASTÓN CALIGARIS

ABSTRACT: Some recent Marxist contributions, among them the so-called New Solution to the "transformation problem," call into question the idea of labor-power as a fully-fledged commodity. Yet, the rejection of the commodity nature of labor-power compromises Marx's whole explanation of the origin of surplus-value on the basis of the exchange of equivalents. It can be shown, however, that it is possible to offer a positive case for the commodity-nature of labor-power which is consistent with Marx's broader dialectical investigation of the determinations of the value-form. This requires building upon the arguments that Marx explicitly put forward in his economic works, but also going beyond them, albeit on the basis of those arguments themselves. Furthermore, this novel approach that treats the reproduction of labor-power as a commodity determined by the self-valorization of capital proves to be very valuable in shedding light on two classic Marxist controversies, namely: the debate on domestic labor and the one on skilled labor.

Introduction

IN A LETTER TO BECKER from April 17, 1867, Marx referred to *Capital* as "without question the most terrible MISSILE that has yet been hurled at the heads of the bourgeoisie (landowners included)" (Marx, 1987a, 358). Unfortunately, in the rest of that brief note Marx does not clarify the specific sense in which he considered his work to be such a "terrible missile" against the bourgeoisie. However, it seems quite safe to assume that his scientific explanation of the source of capitalist "profit" in the exploitation of wage-workers was among those fundamental aspects of the critique of political economy that he had in mind. As is widely known, the key to this explanation resides in the discovery of the existence of a commodity "whose use-value

possesses the peculiar property of being a source of value" (Marx, 1976a, 270). This commodity is, of course, labor-power which, "like all other commodities . . . has a value" (Marx, 1976a, 274).

Now, in light of this centrality of the commodity nature of labor-power for Marx's critical investigation of the nature of the capital relation, its rejection can only amount to turning that "terrible missile" against Marx himself. In effect, once we reject the commodity nature of labor-power, then Marx's whole explanation of the origin of surplus-value on the basis of the exchange of equivalents falls down. As Krätke comments while revisiting the very early critiques of Marx's "unsolved puzzles" in the theory of wages, the "corollary" of such a rejection of the proposition that labor-power is a commodity and has a value "like all other commodities" is "clear and devastating" (Krätke, 2009, 166). Yet, this objection to the commodity nature of labor-power has resurfaced in the last couple of decades. Curiously enough, it has not been advanced by Marx's "detractors" but, as we discuss below, by some of his followers.

A first aim of this article is to critically engage with some of these recent Marxist contributions which, whether they see it as a rectification or ratification of Marx's argument in *Capital*, call into question the idea of labor-power as a fully-fledged commodity. This is done in the next section, where we review some of the main positions in this contemporary debate. In addition, we subsequently offer a positive case for the commodity-nature of labor-power that builds upon, but also goes beyond, the arguments that Marx explicitly put forward in his economic works. Finally, in order to illustrate the usefulness of this novel take on the determinations of the commodity labor-power, we revisit two classic Marxist controversies that are intimately connected with the central subject matter of this paper, namely: the debate on domestic labor and the one on skilled labor.

Marxist Controversies over Labor-Power as a Commodity

The objection to the commodity nature of labor-power and, *a fortiori*, to the determination of its value by the socially necessary labor-time required for its production, can be traced back to the whole series of critiques of Marx that emerged as soon as Volume III of *Capital* was published.[1]

1 As argued elsewhere (Kicillof and Starosta, 2007a), in its simplest determination *privately undertaken* labor is socially necessary (hence value-producing) if it satisfies two conditions: first, it corresponds to the technologically normal conditions of production prevailing in

Thus, already in 1907 Bortkiewicz argued that since there is no "competition between producers" of this commodity, wages cannot be subordinated to "the general law of value" and therefore its value cannot be determined in the same way as the value of other commodities (Bortkiewicz, 1952, 57). Strictly speaking, this first line of criticism mainly and explicitly revolved around the denial of the existence of an adjustment process of the price of labor-power to the average socially necessary labor-time for the production of this particular commodity. However, insofar as in Bortkiewicz's Ricardian approach there was no clear distinction between the price and the value of labor-power, the implausibility of such an adjustment mechanism implicitly called into question the very foundations of the value-content of labor-power. In fact, Bortkiewicz concluded that real wages had to be taken as fixed (Bortkiewicz, 1952, 57). According to Krätke, Tugan-Baranowsky went even further and argued that "labor power was not a commodity at all, wages could not be considered a 'value phenomenon' and Marx's theory of wages was outright wrong or just tautological" (Krätke, 2009, 169). Yet, as Krätke also reports, Marxists at that time did not respond to the challenge (Krätke, 2009, 166).

Although similar arguments emerged later in the 20th century, and on this occasion among scholars who were otherwise sympathetic to Marx's ideas (*e.g.*, Castoriadis, 1988; Bowles and Gintis, 1981), it has been in relatively recent times that the objection cropped up within the specialized Marxist literature. Moreover, in many cases the objection to the commodity nature of labor is not seen just as a correction to an allegedly inadequate treatment of the subject by Marx, but is even presented as a reflection of Marx's own views.

This rejection of the commodity nature of labor-power and, consequently, of Marx's account of the determination of its value, has come from rather disparate traditions. The so-called systematic dialectics strand of value-form theory is a case in point. Thus, Chris Arthur takes "distance from Marx's attempt to treat labor power as a produced commodity subject to the law of value" (Arthur, 2006, 90). More specifically, he states that "wage-labor should be treated in the same way as landed property, namely as a material presupposition of

society (Marx, 1976a, 129), and, second, it can satisfy a *social* need (Marx, 1976a, 131), regardless of whether that need arises from "the stomach or the imagination" (Marx, 1976a, 125). In other words, only under those two circumstances is the objectification of the abstract character of private labor socially represented in the form of value.

capitalist production, which is rewarded with part of the value created in production, namely the wage" (Arthur, 2006, 90; see also Reuten and Williams, 1989, 68; and Roblez Baez, 2011, 26–27n).

Still, the most remarkable case is that of the so-called "New Solution" or "New Interpretation" to the "transformation problem" (Foley, 1982; Lipietz, 1982; Dumenil, 1983). In effect, unlike the rather incidental role played by the rejection of labor-power as a "genuine commodity" among "new dialecticians," for these other scholars it constitutes one of the pillars on which their whole theoretical construction is based. On the other hand, their arguments have already been critically examined quite sharply by other Marxist scholars (Mavroudeas, 2001; Fine *et al.*, 2002), which provides us with a firmer basis to develop our own arguments.

Perhaps the clearest formulation of the New Solution's corollary about the commodity nature of labor-power can be found in the work of Simon Mohun. According to this author, labor-power

> is not a produced commodity in the same sense [as other commodities]. It is a capacity or potentiality of people, and people are not (re)produced under capitalist relations of production. No capitalist production process is involved, no process of adding value to the means of production by living labor; neither do there exist different technologies of production in competition with one another which must be averaged to find a market value. (Mohun, 1994, 398.)

For this reason, Mohun continues, Marx's own definition of the value of labor-power is not given in terms of the labor-time required for its production but "in terms of the value of the commodities which the money-value of labor-power can purchase, or command" (Mohun, 1994, 398). It is this novel conception of the value of labor-power that provides one of the keys to this approach's specific solution to the "transformation problem." In effect, under this new definition, the value of labor-power is determined as the part of total value-added represented by the wage share. However, through an idiosyncratic formal procedure, they still conclude, in a roundabout way, that the money-wage represents a determinate quantity of socially necessary abstract labor.

The first step in the New Solution's construction is to posit an "immediate equality between the total price of the net product and the total living labor performed in each period" (Mavroudeas, 2001,

59). On this basis, these authors subsequently obtain the "monetary expression of labor" (MEL) as the ratio between the total price of the net product and the total hours worked. The MEL thereby allows them to transform money-prices into "labor-values." In the case of labor-power, its "value" expressed in "labor-time" is calculated by multiplying the rate of money-wages by the MEL. Through this peculiar procedure, these scholars consider that they avoid the problem of transforming variable capital and, as a consequence, that they offer a way to sidetrack the divergence between total profits and total surplus value. However, this "solution" to the "transformation problem" comes at the cost of parting company with Marx's own definition of the value of labor-power as determined by "a definite quantity of the average social labor objectified in it" (Marx, 1976a, 274). As Foley puts it in his seminal contribution to the New Solution, "the value of labor power, in this perspective, is the fraction of the total abstract social labor time claimed by workers in the form of the wage" (Foley, 1982, 42; see also Mohun, 1994, 403). Although not all supporters of the New Solution explicitly draw the conclusion that this entails the rejection of the commodity nature of labor-power, we will see below that this is the necessary implication of this approach.

As mentioned above, this conception of the value of labor-power has been strongly criticized by other Marxist scholars. In our view, Mavroudeas' (2001) critique stands out as probably the sharpest and most illuminating. According to this author, there are several shortcomings in the New Solution approach. In the first place, this approach violently abstracts from the intermediate steps that lead from socially necessary labor for the reproduction of workers to the value of labor-power. Specifically, it "discards the intermediation of a set of use-values (and their value) between necessary labor-time and money-wages and proceeds to link them directly" (Mavroudeas, 2001, 59). The upshot of this is that the "New Solution's conception of the value of labor-power ends up with a Smithian labor-commanded conception of value rather than one based on abstract labor" (Mavroudeas, 2001, 59). In turn, this has the consequence of grounding the quantitative determination of the value of labor-power in extra-economic factors which, "when this is supplemented with the rejection of the commodity-nature of labor-power, then it can easily lead to a prioritization of power relations independently and almost prior to socio-economic relations" (Mavroudeas, 2001, 55). In effect, regardless of the New Solution's

claim that in their conception the value of labor-power still represents a share of the total abstract labor performed, it is self-evident that a "value" that is not the objectification of the social determinations of the material production process of the commodity that acts as its "bearer," can hardly be taken as synonymous with what Marx termed the "value of a commodity." Thus, the New Solution's eventual rejection of the commodity nature of labor-power is the other side of the same coin of their idiosyncratic conception of the determination of its value.

However, as Saad-Filho argues, despite the weaknesses of the New Solution, it is not easy to find a solid alternative within the Marxist literature (Saad-Filho, 2002, 48 ff). Most other contributions relapse into an equally problematic Ricardian or "labor-embodied" approach. At its most extreme, this perspective tends to assume an immediate identity between the value of labor-power and a "fixed" bundle of means of subsistence. But even in its more nuanced versions, this conception does not seem able to account for the determination of the composition of those "wage-goods," their historical changes or the wage differential among different segments of the working class (Fine, 1988, 180). Moreover, this Ricardian approach eventually ends up reifying workers, as if they were "slaves, beasts of burden [or] machines" (Saad-Filho, 2002, 48) and, as a consequence, renders arbitrary the very concept of "exploitation" (Fine *et al.*, 2002, 11).

In order to overcome the limitations of both the New Solution and neo-Ricardianism, Fine *et al.* come up with a third alternative whose main thrust is that "the value of labor power is neither a quantity of money nor goods but a quantity of value" which, in turn, is determined "at the aggregate level through the exchange between capital and labor as a whole (*i.e.*, as social classes), prior to the process of production" (2002, 12). Now, although it is correct that the value of labor-power is already determined prior to the process of production which follows the capitalist's purchase of that "peculiar commodity," this analysis does not take us very far from a mere repetition of what Marx explicitly wrote in *Capital*. In other words, this position amounts to just *asserting* the connection between the value of labor-power and the value of means of subsistence without *demonstrating* it. No actual explanation of that relationship is offered other than the invocation of Marx's texts. Maybe aware of this, these authors state that a proper full explanation of the value of labor-power needs to reconsider it at more complex levels of analysis. For instance, this requires the

dynamic redefinition of the bundle of wage-goods resulting from the development of the productive powers of labor. Indeed, the accumulation of capital "tends both to redefine (lower) the value of labor power and (increase) the wage bundle" (Fine *et al.*, 2002, 12). Furthermore, "consumption norms" vary greatly across the different categories of workers, so that it makes no sense to posit an "average" consumption bundle which would determine the value of labor-power "in general" (Fine *et al.*, 2002, 12).

It seems to us that this alternative position does not succeed at fully overcoming the weaknesses of its opponents. First and foremost, these authors do not actually offer a clear and precise explanation of the determination of the value of labor-power "in general." Instead, they just sidetrack the problem by invoking the need to incorporate more complex phenomena. Furthermore, methodologically speaking, it is quite simply incorrect to argue for the impossibility to fully resolve the question of the value of labor-power "in general" given the complexity of its concrete forms of realization. It is not only possible but necessary to treat and settle the question at the level of the simpler or more abstract determinations of capital.[2] In fact, Marx himself made this methodological point in the *Economic Manuscripts of 1861–1863* when justifying the initial abstraction from the determinants of the value of labor-power attributable to its complexity, since

> important as the latter consideration becomes when it is a matter of analysing the differing values of individual branches of labour, here it is irrelevant, for we are only concerned with the general relationship between capital and labour, and therefore have in view ordinary, average labour, seeing all labour as only a multiple of this average labour, the training costs of which are infinitesimally small. (Marx, 1988, 43.)

2 In this sense, the issue under discussion in this paper pertains to the "level of abstraction" of Volume I (*i.e.*, to the social form of the process of production), and is analytically separable from the concrete forms assumed by the establishment of the unity of the movement of the total social capital in circulation (*i.e.*, the "level of abstraction" of Volume III, including the so-called "transformation problem"). In other words, this is a problem pertaining to value-*production* and not to its *distribution*. However, one implication of our argument is clear in this regard. If one concludes that labor-power is a fully-fledged commodity and has a value determined "like any other commodity," the value of variable capital does need to be transformed into the concrete form of price of production (a task which evidently exceeds the scope of this paper). As a consequence, we think that the alleged solution of the New Interpretation is no solution at all.

In this sense, although otherwise writing from a similar perspective to the one just sketched out, Mavroudeas' aforementioned contribution offers more elements both to explain the relationship between the value of means of subsistence and the value of labor-power, and to overcome the shortcomings of the New Solution approach. Regarding the latter, this author rightly claims that commodity values must be explained by their *content* (*i.e.*, by socially necessary labor-time required for their production) and not by their *form* (*i.e.*, by the ratio in which they exchange against money in circulation). And although he admits that labor-power is a "peculiar" commodity ("since it only exists as a capacity of the living individual . . . which is commodified in capitalism"), he argues that it does not follow from this that it is "a natural good that enters the market without any value, acquiring there a price" (Mavroudeas, 2001, 56). Mavroudeas thereby proceeds to analyze the production process of labor-power and makes two additional points. First, he agrees with New Solution scholars like Mohun that no new value is added in the "domestic" sphere of reproduction of labor-power on the very same grounds: the reproduction of labor-power entails "human effort but this is not expended through a capitalist production process," the upshot of which is that "there is no creation of new value or surplus-value and the sale of the commodity labor-power does not operate according to the rules of typical capitalist commodity exchange (obtaining an average rate of profit etc.)" (Mavroudeas, 2001, 56). Second, however, he also argues that the means of consumption required for the reproduction of labor-power are capitalistically produced by wage-labor and bought in the market, which means that they have a value determined by socially necessary labor-time. Crucially, and here Mavroudeas goes *beyond* what Marx *explicitly* states in *Capital*, he further submits that the value of the means of "subsistence" is *transferred* to labor-power through the workers' consumptive activity and therefore "this value has to be reflected in the price that is paid for buying labor-power (wage)" (Mavroudeas, 2001, 56).

There are three problems with this defense of Marx's argument on the value of labor-power. In the first place, it has no textual basis in Marx's exposition in *Capital*; not because he explicitly states otherwise, but because he does not discuss the question at all. Presumably, Marx took for granted that in light of the determinations already unfolded by chapter 6, it would be self-evident for readers why "human effort"

expended in the domestic sphere could not be value-positing. As he unambiguously puts it in the section on commodity fetishism in chapter 1, "objects of utility become commodities only because they are products of the labor of private individuals who work independently of each other" (Marx, 1976a, 165). This leads us to the second problem.

For while Mavroudeas is right to point out that no new value is posited in the domestic sphere of individual or personal consumption, the grounds that he offers for that claim (which he shares with the New Solution) are essentially wrong. The expenditure of human labor-power within the domestic sphere does not create value not because it is not "expended through a capitalist production process with a view to obtaining the average rate of profit." The reason lies in the fact that the organization of the allocation of that portion of social labor in its particular concrete forms which takes place within the "household" is not mediated through *indirect* social relations between *private and independent* individuals (which, as argued elsewhere [Kicillof and Starosta, 2007a; 2007b; Starosta, 2016], is the ground of value-positing activity). The allocation of social labor within the domestic sphere is organized through *direct, personal relations* (the family). In other words, that portion of social labor does not possess "the peculiar social character of the labor which produces [commodities]" (Marx, 1976a, 165).[3]

Finally, although we shall see that Mavroudeas' point about the "transfer" of value from the means of consumption to the wage-worker's labor-power is broadly on the right track, he does not offer a convincing explanation of why and how this material and social process occurs.[4] Note, however, that neither does Marx's own presentation

3 Of course, all products of capital are commodities, and only in the capitalist mode of production social wealth universally takes on the commodity-form. Yet, it does not follow that the value-form of social wealth is grounded in the fact that it is immediately ruled with a view to valorizing an individual capital. The simplest determination of the value-form is given at the level of abstraction of the commodity as a *presupposition* of capital. This is what grounds the *content* of the value-determination. By contrast, commodity production under the command of an individual capital with a view to obtaining the average rate of profit (*i.e.*, the commodity not as a methodological–systematic *premise* but as *result* of the movement of capital) determines the *concrete form* in which value is realized (*i.e.*, the price of production). For a methodological discussion of the commodity as presupposition and result of capital, see Marx, 1976b, 953ff.

4 The reason given by Mavroudeas is that "contrarily to consumption goods consumed by capitalists (luxuries), workers' consumption is a productive activity and they transfer their value to the commodified aspect of human reproduction (labor-power)" (Mavroudeas, 2001, 56). At least on the basis of this statement alone, it is not clear to us in what sense the workers' consumption is a *productive* activity.

in Chapter 6 of *Capital* spell out, in any systematic fashion, the way in which the connection between the value of means of subsistence and the value of labor-power becomes concretely established over the course of the process of reproduction of the wage-worker. The link is just asserted. In order to make that connection explicit, we need to go beyond what Marx said on the question in *Capital*, albeit on the basis of determinations that are perfectly in line with his argument in the rest of the book.

The Value of Labor-Power

A first relevant element for this discussion can be found in the *Economic Manuscripts of 1861–1863*. In that text, in the context of a critique of Bailey's "silly" (*sic*) objection to Ricardo's determination of the "value of labor," Marx makes the point, not mentioned in *Capital*, that the determination of the value of labor-power by the value of the *means of subsistence* is not peculiar to that particular commodity but applies to all "organic" commodities; for instance, it applies to the value of animals as well (Marx, 1988, 48). Moreover, he makes clear that the way in which the means of subsistence enter in the "price of labor capacity" is through the "metabolic process," *i.e.*, through the "exchange of matter" involved in the process of individual consumption of those means of subsistence by the bearer of human labor-power.

> The price of CLOTH does indeed consist also of the price of the cotton yarn consumed in it, just as the price of labor capacity consists of the means of subsistence that enter into it through the metabolic process. Incidentally, the reproduction of living, organic things does not depend on the labor directly applied to them, the labor worked up in them, but on the means of subsistence they consume — and this is the way of reproducing them. Bailey could also have seen this in the determination of animals' value; even in the case of machines, in so far as coal, oil and other *matières instrumentales* consumed by them enter into their cost. . . . Otherwise Bailey's joke only has the upshot that the labor applied to the reproduction of the organic body is applied to its means of subsistence, not directly to the body itself, since the appropriation of these means of subsistence through consumption is not work but rather enjoyment. (Marx, 1988, 48.)

In other words, the "transfer" of the value of means of subsistence to the commodity labor-power takes place through the material change

of form of those use-values into the bodily (physical and intellectual) productive attributes of the wage-worker. Similarly to the transfer of the value of means of production to the final product, one could say that the value of means of subsistence, as Marx puts it, "undergoes a metempsychosis" (Marx, 1976a, 314). Through this "transmigration," value "deserts the consumed body to occupy the newly created one" (Marx, 1976a, 314). The analogy, however, stops here.

For unlike means of production, labor-power is *not*, in and of itself, a use-value (Iñigo Carrera, 1995, 5).[5] In other words, it is not in itself a *means* for human life, "a thing that through its qualities satisfies human needs of whatever kind" (Marx, 1976a, 125), although its existence is clearly a condition for the specifically human process of material metabolism. However, although human labor-power is not a use-value by its own material nature, it *becomes form-determined as such when subsumed by capital as the active condition for its valorization.* In effect, given the private form taken by social production, labor-power embodies the capacity to produce value and, more specifically, more value than it costs. (Surplus)value-positing for capital becomes its *form-determined* use-value.[6] Thus, it is the constitution of the value-form into the alienated subject of social life that turns labor-power into a use-value, by determining the exercise of that human capacity as the immediate source of its self-expansion.

As Marx shows in Chapter 23 of Volume I on "Simple Reproduction," the constitution of the total social capital into the subject of the movement of society reaches its plenitude when subsuming material *reproduction* in its unity, *i.e.*, when it subordinates not only social production and circulation, but also the process of individual consumption (Marx, 1976a, 711ff). As a consequence, the unity of the human

5 Note that transformation of the use-value of means of production into a new use-value is for Marx a necessary condition for the "transmigration" of their value to take place: "The reason why means of production do not lose their value at the same time as they lose their use-value is that they lose in the labor process the original form of their use-value only to assume in the product the form of a new use-value. But however important it may be to value to exist in, it is still a matter of complete indifference what particular object serves this purpose" (Marx, 1976a, 310).

6 This, we take it, is the meaning of the following passage from the original text of *A Contribution to the Critique of Political Economy*: "For money as capital, labor capacity is the immediate use value for which it has to exchange itself. In the simple circulation, the content of the use value was indifferent, dropped out of the economic determination of form. Here it is its *essential economic moment.* For the exchange value is determined as firmly established in exchange above all because it is exchanged with *a use value confronting it in its own form determination*" (Marx, 1987b, 504).

metabolic process becomes inverted into a moment of the reproduction of capital. The implication of this is that in capitalist society the process of individual consumption does not bring each cycle of the process of metabolism to a close. In other words, in the capitalist mode of production individual consumption in the domestic sphere is not synonymous with *final* consumption, as economics, both "classical" and "vulgar," would have it (Ricardo, 1821, 339; Jevons, 1871, 47; Keynes, 1936, 104). The latter moment is reached in the sphere where labor-power is consumed for the production of more value than its reproduction costs, *i.e.*, in the phase of *productive* consumption or the labor process. This is crucial for the link between the privately undertaken socially necessary abstract labor-time materialized in the means of subsistence and the value of labor-power. Let us examine the matter more closely.[7]

The workers buy those means of consumption in order to reproduce their life as social subjects. In doing so, the value objectified in them is realized since the private labor that had been expended on them is confirmed as socially necessary. Those use-values are then taken to the domestic sphere of individual consumption, where they are either consumed straightaway if their materiality was immediately apt for the satisfaction of a human need, or subject to a further labor process. However, we have seen that in this latter case the objectification of social labor does not result in its representation in the social form of value.

Now, when those use-values are consumed, their materiality does not simply vanish but only changes form into reconstituted labor-power which, as argued above, is not in itself a use-value. Hence, if the immediate aim of the social reproduction process were the reproduction of human life (as would happen with a simple circulation of commodities), this transformation of the materiality of means of consumption into productive attributes of the human subject would bring this particular cycle of social reproduction to a close. Thus, even if those use-values had the commodity-form, their value would disappear definitively with that consumptive appropriation of their materiality.

However, we have further argued that from the point of view of the alienated organization of human life as an attribute of capital, that

7 In what follows we draw on Iñigo Carrera, 1995, 6–7.

process does not close the cycle of social reproduction, but is only a passing moment in the process of value's self-valorization. Thus, the commodities consumed by the wage-worker must be turned into the production of his/her particular labor-power, that is, into the determinate productive attributes that the material conditions for the valorization of capital determine as a new use-value. Hence, from the general social point of view, the new form which those means of consumption acquire by being transformed in the renewed labor-power of the wage-worker still needs to prove socially necessary, which in this context does not mean that it is capable of satisfying a human want, but that it is able to valorize capital. In other words, the confirmation that the portion of social labor originally allocated privately in the particular concrete form of those means of consumption was socially useful entails a further mediation, namely: the success of the wage laborer at selling his/her labor-power as a commodity, *i.e.*, as a use-value that has been produced in a private and independent manner from the point of view of the form-determined *content* of the *unity* of the social metabolic process. *This is why the value borne by those means of subsistence does not disappear with their consumption in the household but reappears as the value of labor-power.* If the latter is effectively sold, then the social labor expended in the production of the means of consumption which the worker had consumed to reproduce labor-power is eventually confirmed as socially useful.

Still, this does not yet bring the cycle of that commodity to an end. The realization of its use-value is still pending, a process that can only occur through its consumption. Therefore, only when the latter is effectively consumed (*i.e.*, exploited) by capital in the immediate production process as a specific use-value which is capable of producing surplus-value, that particular cycle of social reproduction is brought to a close. It is only at that stage that the use-value of labor-power (and so the changed form of the original means of consumption) suffers final appropriation and, with that, its value is eventually extinguished. On the other hand, that very consumption of labor-power by capital privately produces new commodities and hence, new value and surplus-value.

In sum, this discussion shows that there *is* a necessary *material* link between socially necessary labor-time expended in the production of means of subsistence and the value of labor-power. Although the mediations that connect the value of means of subsistence with

the value of labor-power are not fleshed out by Marx, it is possible to establish that nexus in a way which is absolutely consistent with the general determinations of the value-form that he did present in *Capital*. In effect, we have shown that, with the proviso about the form-determined nature of its use-value, all the determinations of the commodity-form are present in the production of labor-power. Paraphrasing Marx, a "definite quantity" of privately undertaken socially necessary abstract labor "is objectified in it." That objectification of labor-time must therefore take on the value-form in order to manifest its general social character. The objections of critics to the commodity-nature of labor-power are therefore unfounded.

In light of this conclusion, in the next couple of sections we turn to the discussion of two classic Marxist controversies that touched upon the production process of labor-power: the debates on "domestic labor" and on "skilled labor." As we shall see, our approach to the reproduction of labor-power as commodity determined by the self-valorization of capital will prove to be very valuable in shedding light on many of the contentious issues involved in those debates.

The Domestic Labor Debate

This debate was motivated by the perceived need to investigate more thoroughly the labor process performed within the wage-worker's household (Benston, 1969; Morton, 1971). In the view of most of the participants, this task had not been undertaken satisfactorily within Marxism (Vogel, 2000, 156). Following on from Dalla Costa and James' contribution (1972), the attention of many scholars subsequently turned to Marx's argument about the quantitative determination of the value of labor-power. More specifically, several works made a case for the reconsideration of domestic labor as value-producing. Two different but converging arguments were put forward. In the first place, some authors argued that domestic labor is part of socially necessary labor for the production of labor-power and must therefore enter into the quantitative determination of its value and be reflected in the wage (Secombe, 1974). A second approach postulated that domestic labor is not immediately represented as the value of labor power, but indirectly as capital's surplus value or profit. In its more sophisticated version, this perspective maintained that the surplus labor of the domestic worker is appropriated by capitalists through

the exchange of labor-power against a wage that does not pay for all the labor-time "objectified" in it (Harrison, 1973; Gardiner, 1976).

Various objections were raised against this broad "heterodox" perspective, the main one being that domestic labor is not subordinated to the law of value insofar as it is neither performed under capitalist relations of production (Himmelweit and Mohun, 1977), nor organized with a view to exchange (Smith, 1978). Hence, these critiques went on, concrete labor performed in the household cannot be reduced to socially necessary labor and therefore cannot be value-producing. In sum, these critics rejected the validity of the social identification of domestic and wage labor, which is precisely what the original contributions had assumed. Now, although we concur with these critics that it is incorrect to consider domestic labor as (surplus)value-producing, those original contributions had nonetheless the merit of providing an in-depth and detailed examination of the processes involved in the (re)production of labor-power. In some cases, those contributions even hinted at the aforementioned problem of the "transference" of the value of means of subsistence into the commodity labor-power. As a matter of fact, the pioneering work by Inman from the 1940s had already submitted that "the value of the commodities consumed by the worker's family . . . reappear[s] again on the market, but in a new form, as the commodity labor-power" (Inman, 1942, 45, cited in Thomas, 1987, 331). As mentioned above, this insight is crucial for the determination of the value of labor-power by the socially necessary labor objectified in the means of subsistence and, *a fortiori*, for the commodity-nature of labor-power.

Be that as it may, the point is that as a result of this debate, many Marxist scholars were led to question Marx's overall argument regarding the determination of the value of labor-power. Thus, Philip Harvey (1983, 308–310) suggested that if the value of means of subsistence reappears in the value of labor-power, this necessarily means that the workers' individual consumption is in reality a labor process, which utilizes those means of subsistence as means of production of labor-power. But if this is the case, Harvey continues, this "labor of productive consumption" must be considered as socially necessary for the production of labor-power. And the same goes for domestic labor that further transforms means of subsistence originally purchased as commodities with the wage. On these grounds, and in the face of the fact that Marx did not include these expenditures of human bodily powers

in the determination of the value of labor-power, Harvey concluded that Marx's approach does not actually constitute a "labor theory" of the value of labor-power but a "cost of production theory" (P. Harvey, 1983, 307, 312). In other words, the value of this "peculiar commodity" *is not*, *pace* Marx, determined "as in the case of every other commodity" by the "labor-time necessary for the production . . . of this specific article" (Marx, 1976a, 274).[8]

From our perspective, these analyses reach these problematic conclusions because they overlook the essential determination at stake in the transference of value between different use-values, namely: the need to re-validate the social character of privately performed labor. This is a process that is generally mediated by productive labor but that, in the context of the overall movement of reproduction of the total social capital, takes place as well through individual consumption. As argued at great length above, the abstract character of privately performed labor objectified as the value-form of means of subsistence does not attain definitive recognition as socially necessary at the moment of their purchase by the working class family. This only occurs when the capitalist buys their labor-power with the aim of valorizing his/her capital and subsequently consumes them productively in the direct production process. Only at that point is the formal use-value of labor-power finally extinguished and its value therefore disappears. Hence, the reappearance of the value of means of subsistence as the value of labor-power simply expresses the need to reassert, under the new guise assumed by those use-values, the social character of the privately performed labor originally objectified in them. In other words, this "transfer of value" is quite simply derived from the general determination underlying the value-form of the product of labor: it is the reified form through which the immanent social determinations of human productive activity are represented when they are indirectly organized through the general production and exchange of commodities.

Why, then, is the labor performed in-between the wage-worker's purchase of means of subsistence and the sale of labor-power *not*

8 Some years later, Thomas (1987, 127) tried to avoid these conclusions by arguing that the only labor that transfers value is "commodity-producing, value-creating labor." Hence, Marx's argument needed to be amended in order to incorporate the fact that domestic labor produces value. In this way, she reinstated the feminist critique that considered Marx's approach as incomplete (if not directly flawed).

represented as its value? The answer to this question cannot just come down to saying, as in most critiques of the "heterodox" camp in the debate, that "domestic labor" is not subordinated to the "law of value." As a matter of fact, this is precisely what needs to be explained. Thus, the *reason* why this labor is not value-producing is that *it is not private labor vis-à-vis the immediate consumer of its product.* And note that this applies *both* to reproductive labor undertaken by the worker him/herself (which is not even *social* labor) and to work performed by other family members (which is social since it is done for another individual, *i.e.*, the wage-worker, but *directly* so, *i.e.*, its social character is organized through *personal social relations*). This point can be further clarified through a comparison with the domestic labor undertaken by a hired cleaner or cook. In the latter case, it does create value, since we do have an instance of privately performed social labor *vis-à-vis* the immediate consumer of its product, which thereby does take the commodity-form (as much as the labor that, for instance, produces the meals that the worker eats at a restaurant; the fact that the former occurs in the household is immaterial). As a consequence, the "domestic labor" performed by a hired cleaner or cook does enter into the determination of the value of labor-power.[9] Thus, the feminist *normative* claim that reproductive labor be considered as value-producing is revealed as underpinned by an essentially ahistorical or Ricardian conception of value, insofar as it considers that all productive expenditure of labor-power is value-producing regardless of its "peculiar social character" (Marx, 1976a, 165).

In sum, it is perfectly possible to explain the parts respectively played by the domestic productive and consumptive processes in the

9 In this sense, it must be acknowledged that Marx's presentation in *Capital* is not entirely satisfactory in this regard. Thus, he claims that labor-power has value like all other commodities because "it represents no more than a definite quantity of the average social labor objectified in it" (Marx, 1976a, 274). For the sake of rigor and clarity, he should have actually referred to "privately undertaken average social labor objectified in it." In other words, only commodities (and not simply use-values) consumed by workers enter into the determination of the value of labor-power. In Marx's defense, it was probably a shorthand expression which, even if not entirely correct, was seen by him as harmless in light of the rigorous and lengthy exposition of the determinations of the commodity-form contained in the first section of *Capital* (cf. his remark on overlooking the difference between value and exchange-value for the sake of brevity once the dialectical exposition has established their "unity and difference"). Besides, in the *Economic Manuscripts of 1861–1863* he made the point explicitly: in its general determination, "the means of subsistence needed for the maintenance or reproduction of labor capacity can all be reduced to commodities" (Marx, 1988, 43).

formation of the value of labor-power, on the basis of Marx's "value-form theory." All privately undertaken socially-necessary labor for the production of this "peculiar commodity" is represented as its value, while all directly social necessary labor is not. Therefore, the critique of Marx's analysis of the value of labor-power stemming from the "domestic labor debate" is ill-founded. The lack of conceptualization of this labor in the determination of value is not a "blind spot" of the Marxian critique of political economy (Werlhof, 1988). It is perfectly consistent with the "purely social objectivity" of the value-form that Marx discovered.

The Skilled Labor Debate

The question about the kind of labor expended to produce labor-power and, more specifically, about its preservation or destruction in subsequent phases of capital's overall circulation process has been at the center of another important controversy within Marxism, namely: the skilled labor debate. In this section, we review the main positions in the debate and offer some reflections on the way in which our reconsideration of the determinations of the commodity-nature of labor-power can shed light on many of the apparent difficulties posed by the "multiplied" value-producing powers of skilled labor.

The debate on skilled labor was initiated by Böhm-Bawerk's well-known criticism of Marx's value-theory (Böhm-Bawerk, 1890; 1949). According to this author, the Marxian explanation of the equalization of qualitatively different labors fails because the argument unfolds "in a complete circle": it starts out in search for an explanation of the exchange relation but, insofar as it is argued that "the standard of reduction [of skilled to simple labor] is determined solely *by the actual exchange relations themselves*," it ends up accounting for the exchange relation on the basis of that very same exchange relation! (Böhm-Bawerk, 1949, 83). The first line of reply provided by Marxists was that the greater value of the product of skilled labor is not explained by the exchange relation, but by the greater value of more complex labor-power. According to this conception, the higher the value of labor-power, the greater will be the magnitude of value that results from its objectification (Bernstein, 1900).

However, other Marxists very soon took this explanation to task for relapsing into a theory of value founded on "costs of production."

As Hilferding noted, Bernstein's explanation wanted "to deduce the value of the product from the 'value of labor'" (Hilferding, 1949, 141). As an alternative, Hilferding and other authors proposed a procedure for the reduction of skilled to simple labor based on the addition of the quantities of simple labor that materialized in the production of skilled labor-power and which, indirectly, become "condensed" in the actual expenditure of the latter. More specifically, according to these authors these "formative labors" included both the work of the "technical educator" (Hilferding, 1949, 144) and that of the skilled laborer (in his/her capacity as student) (Bauer, 1906). Those past formative labors, Hilferding states, "are stored up in the person of the qualified laborer, and not until he begins to work are these formative labors made fluid on behalf of society" (Hilferding, 1949, 144).

Until the mid-1970s, the Hilferding–Bauer approach was widely accepted by Marxists as the definitive response to Böhm-Bawerk (*e.g.*, Sweezy, 1942; Meek, 1956; Rowthorn, 1974). However, soon after that some Marxists started to raise some reservations against the alleged solution to the "reduction problem." In the first place, it was argued that the Hilferding–Bauer reduction procedure implied different rates of surplus value for skilled and simple labor which, it was claimed, contradicted the Marxist theory of exploitation (Morishima, 1973). Second, other scholars argued that in conceiving of the worker's skills as the material condensation of past labor that would subsequently be represented in the higher value of the product, the productive attributes of workers were treated as constant capital (Tortajada, 1977). In relation to the first of these objections, let us note that the existence of different rates of surplus value leaves the general qualitative determination underlying the exploitation of wage-workers untouched. In effect, regardless of the relative complexity of his/her labor-power, each worker performs (on average) as much labor for capital as the normal long-term reproduction of his/her labor-power allows. And he/she receives in exchange an equivalent of the socially necessary labor time for the reproduction of those productive attributes that capital demands from him/her. The fact that this might result in different rates of surplus value for labor-powers of different qualifications only affects the degree in which capital will appropriate unpaid surplus labor. But it does not compromise the validity of Marx's explanation of the source of surplus value in the exploitation of the wage-worker. Furthermore, these varied rates of surplus value are immaterial for

the individual capital, insofar as it could be argued that this is but another differential condition of valorization that becomes averaged out through the formation of the general rate of profit (similarly to differences in the organic composition or turnover rates).

By contrast, the second objection does pinpoint a real flaw in the traditional "reduction method," insofar as the latter involves a departure from the general determinations of value and surplus value. More specifically, it parts company with Marx's argument that it is only the expenditure of the living labor of the worker that posits new value in the product, while the value of constant capital (*i.e.*, "past labor") is only "transferred" in the same magnitude. In postulating that the value of the product of skilled labor includes the "past labor" materialized in the more skilled labor-power, the classic solution ends up effectively conflating constant and variable capital. On this score, we concur with those who rejected the Hilferding–Bauer train of thought.

In the face of these shortcomings of the traditional reduction procedure, new alternative solutions appeared that changed considerably the very terms of the problem without, however, achieving any consensus. Thus, some scholars proposed that the reduction of skilled to simple labor should be regarded as a real and observable process of de-skilling of labor-power resulting from capital's transformation of the labor process (D. Harvey, 1982; Itoh, 1987; Carchedi, 1991), while others opted for considering skilled labor quite simply as more productive (P. Harvey, 1985; Bidet, 2007; Saad-Filho, 2002). In our view, rather than solving the "skilled labor" reduction problem, these alternative just sidestep it. By contrast, we think that our approach to the determination of the value of labor-power sketched out above offers a valuable and novel way to critically examine the classic Hilferding–Bauer reduction procedure and to develop a more rigorous explanation of the "multiplied" value-creating powers of skilled labor.

In the first place, having demonstrated that labor-power is a fully-fledged commodity we know with certainty that its value is exclusively determined by the privately performed socially necessary abstract labor required for its production. Moreover, insofar as capital's productive consumption of labor-power closes the form-determined cycle of social reproduction, this value disappears through the expenditure of the worker's living labor in the direct production process.

Consequently, regardless of the degree of complexity embodied in the worker's labor-power, no single "atom" of its value can be preserved and transferred to the product of his/her labor. In this sense, the labor of the "technical educator" or the labor objectified in a textbook are hardly different from those labors objectified in the most prosaic of commodities that the worker consumes during his/her lunchtime. Assuming that they have the commodity-form, they are all part of the privately undertaken socially necessary labor required for the production of the commodity labor-power and, in that condition, they are absolutely independent of the labor that the worker will perform when setting his/her labor-power into motion in the capitalist labor process.

Now, Hilferding–Bauer and their followers obviously think that their reduction procedure avoids Bernstein's error of grounding the value of the product of skilled labor in the value of skilled labor-power. However, it seems to us that by including in the value of the product of skilled labor the socially necessary labors required for the production of skilled labor-power, they end up relapsing into a similar elementary mistake, namely: conflation of the *value* of labor-power (the "past labor" objectified in it) and its *use-value* (the value-positing capacity of living labor in action). As stated above, there can be no trace of the past labor required for the production of skilled labor-power in the "multiplied" value-positing powers of skilled *living* labor in action. The central question still stands unanswered: how is the higher value of the product of skilled labor explained?

Again, here we think that the answer must be: "as in the case of any other commodity," *i.e.*, by the privately performed socially necessary abstract labor required for its production. The key, of course, resides in being absolutely clear and precise about which private labors are socially necessary *just* for the production of the *product of skilled labor*. And these come down to the living labor of the skilled worker, the "dead" labor objectified in the means of production consumed by living labor in the capitalist production process and, crucially, the labor expended *by the skilled laborer himself/herself* (*i.e.*, not by the "technical educator") with a view to acquiring the skills that are *socially necessary for the production of the said commodity*. As we have seen, the latter is a kind of labor which, insofar as it is not private from the point of view of the production of (skilled) labor-power, does not enter into the determination of its value. However, it definitely is private and socially necessary from the perspective of the production of the use-value that

the skilled laborer will produce under the command of the capitalist. For that reason, it enters into the value of the product of skilled labor.

Clearly, this admittedly succinct answer does not address all the complexities and subtleties involved in the debate over the reduction of skilled to simple labor, a task which exceeds the scope of this section.[10] However, this discussion should suffice to shed light on the gist of the solution to this long-standing difficulty in Marxist value theory: the rigorous identification of the opening and closing phases of each capital-determined cycle of social production and consumption and, as a consequence, of the exact amount of privately performed socially necessary abstract labor that is required for the production of each particular commodity.

Conclusion

This article has critically examined the rejection of the commodity-nature of labor-power based on the broad argument that it is not produced under the direct command of capital. Although its lineage can be traced back to the early 20th century, this long-standing argument gained new life recently in association with the so-called New Solution approach to the transformation problem. This perspective has encountered some valid critical reactions which, however, have not offered a solid and conclusive alternative. In light of this, we took up the challenge and attempted to develop an explanation of the fully-fledged commodity-character of labor-power on the basis of Marx's own analysis of the value-form but beyond what he explicitly stated in *Capital*.

In a nutshell, our contribution revolved around the clear identification and differentiation of the specific social character of all the labor involved in the production of labor-power, *from the point of view of the reproduction of the total social capital*. It is the latter which, as the

10 One of the issues not addressed in this paper is the consistency of the different solutions with the scarce number of quotes by Marx that treat the subject of skilled labor. For instance, in one highly controversial passage Marx states that the respective rates of surplus value of skilled and simple labor are equal (Marx, 1981, 241). From our perspective, Marx was probably assuming that the use-values needed for the daily reproduction of each type of labor-power are identical, so that if the skilled laborer expends a working day at home to acquire the skills, the subsequent expenditure of skilled labor-power will objectify twice the amount of value. But since his/her labor-power will have cost twice, the rate of surplus value will remain the same.

general social relation presiding over the movement of present-day society, gives unity and content to the human life-process. The crucial upshot of this for the purpose of grasping the commodity-nature of labor-power was two-fold. First, only privately undertaken social labor can form the value of labor-power. Second, when subsumed under the overall movement of the total social capital's reproduction, the privately performed labor required for labor-power's production attains final validation of its social usefulness only when it is exploited by capital in the direct process of production. This was the key link to explain the reappearance of the value of means of subsistence as the value of labor-power. On these grounds, we were able to reach the same conclusion that Marx reaches in chapter 6 of Volume I of *Capital*, namely, that the value of labor-power is determined, just "as in the case of every other commodity," by the (privately performed) socially necessary labor for its production. However, unlike Marx's unmediated assertion, we unfolded all the mediations that are necessary to validate that claim.

As we have seen, this approach to the value of labor-power not only offers a way of grounding one of the fundamental categories of the critique of political economy. In addition, it provides useful tools to overcome the impasse reached within two classic Marxist controversies that have an intimate connection with the social processes underlying the production of labor-power and its form-determinations as a commodity, both as a *value* and as a *use-value*: the debate on domestic labor and the debate on skilled labor. Regarding the former, we have seen that our approach can shed light on the only reason why domestic labor is not value-producing. Briefly put, it is a part of social labor that is organized through direct personal relations, *i.e.*, that is not privately performed *vis-à-vis* the consumer of its product. As for skilled labor, we showed that the only way to be consistent with its definition while avoiding the confusion between the value and the use-value of skilled labor-power, is to grasp that only the "formative labor" undertaken by the wage-laborer himself/herself is private *vis-à-vis* the final consumer of the commodity that he/she will eventually produce under the command of capital. For this reason, only this privately performed socially necessary labor must be added to the productive living labor of the skilled worker in order to determine the value of its product. In sum, we have seen that in both the case of domestic labor and that of skilled labor, the key to resolving the issues that gave rise to the

respective debates, consists in the clear understanding of the part that they play in the overall cycle of valorization of capital.

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CHAPTER 1

Introduction: The New International Division of Labour and the Critique of Political Economy Today

Greig Charnock and Guido Starosta

> Thus, from the bare enumeration of some of the more glaringly obvious features of the present-day world economy, it can be seen that the old or 'classical' international division of labour, by which the underdeveloped countries were on the whole incorporated into the capitalist world economy as mere raw materials suppliers, no longer exists. The underdeveloped countries are increasingly chosen as sites for manufacturing industries producing goods that are competitive in the world market.
>
> … This tendency will be designated the '*new international division of labor*' (to be considered as an on-going, not a completed, process) (Fröbel et al. 1978: 845, 849).

In a recent anthology of his essays on *Global Capitalism* (2015) Hugo Radice recounts how in the 1960s and early 1970s progressive, broadly Marxist, scholarship fell short of providing a satisfactory means of understanding what was by then a rapidly changing world. The debates

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back then, he summarises, 'had little to say directly about the transformations of production and work within firms, or about the political relations between organised economic interests and the state, while international economic relations between states were understood firmly in nineteenth century terms of autonomous and mutually antagonistic powers, great or small' (Radice 2015: 9). Yet profound and lightning-paced transformations in worldwide production and trade were indeed palpable to any observer back then, and by the mid-1970s Marxist scholars in the UK and beyond were beginning to engage in highly productive—and still influential—debates on the labour process, state theory, and alternative political strategies in the context of deep world recession and heightened social and political tensions across much of the West. Radice recalls, in particular, his participation in a 1974 workshop in Starnberg, Germany, 'at which Otto Kreye and his colleagues presented the first results of their project on the new international division of labour'. This work, he confirms, was to become 'very influential for progressive scholarship on global capitalism' (Radice 2015: 9).

The new international division of labour (NIDL) thesis developed by Folker Fröbel, Jurgen Heinrichs, and Otto Kreye very much stands out as one of the most influential and widely debated contributions at the forefront of discussions on late-industrialisation and global production long into the 1980s and 1990s. Based on their empirical studies in the 1970s, Fröbel, Heinrichs, and Kreye's work seemed to capture extremely well the transformations in the world market taking place by the beginning of that decade, and very rapidly caught the attention of most analysts of international political economy (IPE) and the changing geographies of global capitalism. Although the argument in their book *The New International Division of Labour* (published in English in 1980) rested on very distinctive theoretical foundations and arguments, reviewed below, the expression 'new international division of labour' was to somehow acquire a life of its own and soon became very much a part of the working vocabulary of most scholars empirically concerned with global processes of industrial restructuring—a kind of conceptual shorthand to encapsulate what were regarded as the main developments in the world economy at that time. The 'NIDL' thus became a catchphrase, widely accepted and loosely used (sometimes by default) to *describe* the novel configuration of the capitalist world market, but without always making a self-conscious effort to acknowledge or flesh out the particular conceptual approach

being deployed to *explain* this empirical phenomenon and its subsequent developments.

In a nutshell, the popularised version of the NIDL thesis consisted of the following stylised account of the process of global restructuring. Faced with declining profitability in advanced capitalist countries (mainly due to rising wages), transnational corporations (TNCs) started to relocate labour-intensive manufacturing to the then, so-called, Third World, thus acting as a major factor in the industrial decline that seemed to prevail in the former countries in the late 1970s and early 1980s. 'Third World' countries, for their part, provided TNCs with a huge potential reserve of low-paid and disciplined workers. Combined with technological advances in the means of communication and transport, the increasing fragmentation of production processes and the consequent simplification of semi-skilled and unskilled tasks created a tendency for the establishment of export-oriented 'world market factories' in the 'Third World'. Accordingly, the story went on, the classical international division of labour (CIDL)—revolving around the polarisation of the world economy into an industrialised 'core' and a dependent 'periphery' confined to the role of supplier of raw materials and staple foods—had been superseded by the NIDL, with an industrialised but still dependent Third World, and a 'First World' oriented to a service-based economy, which could not absorb the resulting unemployed population.

The NIDL thesis remained highly influential into the 1990s but—if the scant number of studies published in the last decade dealing directly with the NIDL is any indication—the thesis has since become passé. Undoubtedly, this can be explained in part by changing fads and the development of new lines of inquiry and debate among academics. Yet it is also the case that some scholars had started to put forward strong reservations against the NIDL approach by the 1990s—prompted principally by some empirical developments which seemed to contradict the major claims of the NIDL thesis. The 'impressive' developmental record of the first generation of Asian Tigers (especially South Korea), in particular, seemed to undermine a theory that put export-oriented industrialisation based on extremely low wages in labour-intensive industries at the heart of its argument. More broadly, as many critics have rightly highlighted, the initial formulations of the NIDL thesis contained untenable sweeping generalisations, which could not account for national differences in the developmental path of many countries. The industrial upgrading of the first generation of Asian Tigers, for example, would eventually include

relatively complex, capital-intensive sectors rather than simply unskilled-labour-intensive ones, as the stylised version of the NIDL that became common currency appeared to suggest.

While accepting the veracity of some of the criticisms levelled at the original NIDL thesis and the version of it that became common currency by the 1990s, we believe that it now deserves to be revisited. We propose that a *properly reconsidered and revised* NIDL thesis can still shed light on the specificities of capitalist development in various parts of the world today, as well as the nature of uneven development across the capitalist world market. Taken together, the contributions to this book represent the basis for such a reconsideration of the NIDL thesis which rests upon the Marxian distinction between the global economic *content* that *determines* the constitution and dynamics of the international division of labour, and the evolving national political *forms* that *mediate* its development. More specifically, the book argues that national developmental processes across the world have been but *an expression of the underlying essential unity of the production of relative surplus-value on a world scale*. The fact that the approach taken in this book is rooted in the critique of political economy originally developed by Karl Marx over 150 years ago does not detract from its contemporary significance. Moreover, a revised NIDL thesis as put forward in this volume represents an original contribution to key debates in international and critical political economy, insofar as, firstly, its theoretical foundations lie in research that moves to some extent beyond Marx; and, secondly, it departs in significant ways from not only Fröbel and his colleagues, but also a variety of contemporary approaches that seek to understand the nature of—and the relation between—global transformation and uneven development.

From the Critique of Political Economy to a *New* New International Division of Labour Thesis

The book draws its inspiration from innovative theoretical scholarship that has emerged under the auspices of the Centre for Research as Practical Criticism (CICP), based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera. This work, which is only just recently beginning to appear in Anglophone literature—in part, because it has been developed outside of formal academic structures and networks[1]—represents a thorough re-examination of Marx's critique of political economy and its dialectical-methodical foundations. While draw-

ing upon Marx's fundamental insight into the determination of capital as the immediate subject of the organisation of the process of social life, it also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades, as well as to offer ground-breaking research on the emancipatory subjectivity of the working class (a theme we do not broach directly in this book but see, for example, Starosta 2016). The following section outlines the basic contours of the approach pioneered by Iñigo Carrera.

Capital, the System of Machinery and the International Fragmentation of the Productive Subjectivity of the Global Working Class

As Starosta explains in Chap. 4, one of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, business or the bourgeoisie). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully developed form as the total social capital, becomes inverted into the (alienated) subject of the unity of the process of social reproduction and its expansion (Marx 1976: 763). Thus, *capital* is essentially the movement of the self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976: 723–4; Marx 1992: 185). All moments of the human life-process thus become inverted into material bearers of the life-cycle of capital, or they become forms assumed by the flow of value in its circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus-value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976: 251–7).

Although this content governs the movement of capital as a whole or as an alienated collective power, the *total (global) social capital* is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous

actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. In their simplest form, those cycles can be represented through the well-known general formula of capital:

$$M - C \begin{matrix} \text{LP} \\ \\ \text{MP} \end{matrix} \ldots\ldots P \ldots\ldots\ldots C - M + \Delta M$$

Where M = money capital, C = commodity capital, P = productive capital, LP = labour power, MP = means of production. More specifically, the concrete form in which individual capitals assert their class unity as 'aliquot parts' of the total social capital is the process of formation of the general rate of profit (Marx 1981: 298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms (or individual capitals).

The territorial or spatial dimension of the accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as being *determined* by the conscious locational 'strategies' of TNCs faced with given qualitative national and regional differences, in turn seen as established by allegedly autonomous state policies. Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics of the accumulation of the total social capital through the production of relative surplus-value, which are *economically mediated* by relations of competition among individual capitals like TNCs (again, as opposed to *determined*), on the one hand, and *politically mediated* by the policies of the nation state on the other. These contradictory and crisis-ridden dynamics, which, in their most developed form as large-scale industry, fundamentally *entail the permanent revolution in the modes of exertion of the labour power of individual workers and of their articulation as a directly collective productive body or organism* (Marx 1976: 617), lie at the heart of the changing historical forms of the international division of labour.

The production of relative surplus-value in the form of large-scale industry entails four divergent tendencies in the development of the productive attributes of the global working class (Iñigo Carrera 2013: Chap. 2). First, it expands the productive subjectivity of the part of the collective

labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of the immediate production process.[2] Although not explicitly addressed by Marx in *Capital*, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science and for the conscious organisation of the increasingly social labour process, namely, by engendering a special partial organ of the collective labourer (see Starosta 2016: Chap. 8). Capital requires from these workers ever more *complex* forms of labour. As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker' (Marx 1976: 517). Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of newly developed intellectual productive powers is also inverted into a mode of existence of capital in its movement of self-valorisation. Moreover, sooner or later many of these intellectual dimensions of living labour will also experience automation (or knowledge codification) and therefore become relatively simplified. As we shall see later in this book, this latter aspect has been central to the more recent phases in the evolution of the NIDL (as shown in Chap. 6 through a discussion of the Irish software industry).

Second, it tends to degrade the subjectivity of those workers that acquire and exercise their increasingly simpler manual or experienced-based productive attributes in the direct process of production. Indeed, large-scale industry is based on the objectification of *tacit* knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery (Huws 2006). In this sense, the impact of capitalist automation certainly tends to be one of 'deskilling' or degradation of direct production work through the objectification of formerly manual tasks as functions of machines. Yet the effect of increasing automation has not just been one of deskilling. It has been mixed, also entailing a certain creation of new skills required by capital even from direct production workers. The key point, however, is that these newer skills have been of a different *kind* from those that have been eroded. While the older skills tended to be based on the *particularistic* development of the productive subjectivity of wage-workers (both manual and intellectual) as a result of the practical experience of machining in the direct process of production, the newly created skills tend to revolve around the *universalistic* dimension

of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process. For instance, and crucially for the general argument developed in the book, the 'microelectronic revolution' that is at the basis of the NIDL has entailed not only the degradation of the particularistic dimension of direct production work but also the emergence and generalisation of, so-called, soft or generic skills (see Ramioul 2006), such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making (Balconi 2002).

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production (Alcorta 1999: 164), they have recreated the conditions for the extended reproduction of what Marx called the 'modern manufacturing division of labour', that is those non-mechanised tasks and labour processes acting as an 'external department' of large-scale industry proper as the dominant form (Marx 1976: 588ff). This tendency has been fundamental for initial stages of the NIDL, which are the ones that Fröbel and his colleagues accurately but one-sidedly captured in the 1970s.

Fourth and last, the production of relative surplus-value through the system of machinery leads to the multiplication of the surplus population relative to the needs of the accumulation process, which also constitutes a transformation of productive subjectivity produced by the automation of large-scale industry (see Marx 1976: 553–75). More specifically, this tendency represents the most extreme case of material mutilation of the productive attributes of the working class resulting from capital accumulation, that is, not simply their degradation but their outright non-reproduction. Yet, it is from this tendency that the global pool of cheap but disciplined labour power, which has been central for the original constitution and evolution of the NIDL, has eventually derived.

What all the contributions to this book share is a conviction that the foundation of the uneven spatial differentiation of global capitalism must be searched for in these changing forms of the exploitation of the global working class by the total social capital, through the transformation of the material forms of the capitalist production process. The latter is, in our view, the *general content* that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit behind the backs of the antagonistic actions of the personifications involved (social classes and their diverse political organisations, capitalist firms, 'political elites' and/or 'state managers'). Taking their cue from Iñigo Carrera's original approach, all the

authors in this book see the transformations associated with NIDL as being products of the total social capital's drive to enhance the production of relative surplus-value on a world scale through the development of labour productivity, which finds its most advanced expression in the mechanisation of large-scale industry. Succinctly put, Iñigo Carrera's fundamental argument is that the 'essential' general content that defines the NIDL, and which has been reproduced under its evolving historical configurations since the 1950s until the present time, consists in the *international fragmentation of the productive subjectivity of the working class* (Iñigo Carrera 2013). Thus, as a result of its own immanent tendencies, the simplest original form of the NIDL—which we think Fröbel and his colleagues were right to identify as signifying an on-going process—has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in the so-called 'historical component' of the value of labour-power). Each country therefore *tends* to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner (Grinberg 2011: 35–6). Production in specific industrial sectors has thereby expanded in some countries while contracting in others where new and more advanced sectors have developed, following a rhythm determined by the evolution of two main factors, that is, technological change and relative cost and productive attributes of national labour forces.

This different constellation *does not* involve the transcendence of the NIDL, as many of the critics of the original thesis have suggested (see Chap. 4), but instead represents a more complex form assumed by the same general content. This was the content that the original formulation of the NIDL thesis by Fröbel, Heinrichs, and Kreye failed to uncover, influenced as those authors were by dependency and world-systems theories, and the view that different countries and regions of the world achieve different levels of development on the structural basis of 'unequal exchange'. And it is this content that has generally eluded alternative international and critical political economy approaches that seek in their own way to explain the specificity of national development and the relations between distinct national 'capitalisms' under conditions of 'globalisation' or of 'combined and uneven development'.

The Significance of This Approach for a Distinctive Understanding of Global Transformation and Uneven Development

We think that, whatever its shortcomings, the early debate over the NIDL in the 1980s (in particular, the contribution by Fröbel, Heinrichs, and Kreye) was indeed on the right track as regards grasping the specific nature of the recent transformations of the process of capital accumulation on a world scale. Thus, it actually provides richer material and a more fruitful starting point for a critical investigation of the determinations underlying the, so-called, globalisation process than many other contemporary international and critical political economy analyses. In this sense, we feel that the question of the NIDL should be put back on the agenda for a robust theorisation of global transformation and uneven development. There is no doubt, as conceded above, that the original debates around the NIDL left many theoretical and empirical questions unresolved. In particular, no contribution managed properly to account for the process of national differentiation as an expression of the underlying essential unity of the accumulation of capital on a world scale. The debate, in short, never resolved the tension between national and global dimensions in the articulation of the international division of labour. The significance of this book, then, is that taken together the contributing authors provide a basis for an alternative critique and reformulation of the NIDL thesis that, first, recovers what constituted its main achievement and which has been forgotten by contemporary theorising; namely, the understanding of national differentiation as an expression of the essential unity of the capitalist world system. Second, and by drawing on a particular reading of the Marxian critique of political economy grounded in the work of Iñigo Carrera, we believe the book provides a more distinctive foundation for the conceptualisation of that unity than can be found in Fröbel et al.'s *marxisant* world-systems theory. Let us elaborate.

Drawing directly upon the work of 'monopoly capital', 'world-systems' and 'dependency' theorists, Fröbel and his colleagues conceptualised the 'unequal development' they believed to be central to world capitalism in descriptive terms of: 'The splitting up of the capitalist social formation into "centre" and "periphery", and also possibly "semi-periphery", both intra- and inter-nationally, that is, the development of an international division of labour with different forms of control over labour for different types of production in different regions of the capitalist world economy'

(Fröbel et al. 1980: 32). In our view, attempts by world-system theorists to explain unequal development proceeded from a problematic theoretical-conceptual distinction between core and periphery. They sought to derive underlying, structural relations between different countries and regions on the basis of empirical evidence which suggested that capital-intensive production was concentrated in the core, that labour-intensive production was concentrated in the periphery, and that the international exchange relations between the core and periphery ensure the continuous development of the former at the expense of the latter.[3] Alongside, or overlaying, these international economic relations, they posited unequal political relations between countries engaged in competitive measures to promote or protect their own industries to the detriment of other countries' industries. At the root of this dualistic conceptualisation of unequal economic and political international relations is an analytical distinction between economics and politics that Radice (2009: 36) rightly, in our view, problematises for its confinement of 'class struggle to the realm of "politics", not realising that the existence of a separate realm of politics is in itself a condition of existence of capitalism'. Furthermore, this conceptualisation assumes that the 'central structural feature of "the economy" is the division of labour *in society*'—whether in national or international form—'rather than in manufacture, to use Marx's careful distinction' (Radice 2009: 34). In other words, it is *capital*—understood as an essentially global process—and not the external and contingent political and exchange relations established between a multiplicity of national states themselves, that *determines* their development. And it is capital's thirst to enhance the production of relative surplus-value, on the basis of the development of large-scale manufacturing and the fragmentation of the international working class, which is at stake in the historical development of the international division of labour, not the reproduction of relations of unequal exchange between domestic and international classes that are somehow socially and politically constituted outside of the global process of accumulation (see Chap. 2).

In any case, the fate of the NIDL thesis was not decided by critical theoretical engagement over the dubious assumptions of world-systems and dependency theories. Indeed, the demise of the NIDL thesis during the 1990s went hand-in-hand with a discernible move away from the consideration of *any* question of the structural unity of the global accumulation of capital by IPE and cognate literatures, and instead turned towards a widespread focus on national state institutions as autonomous drivers of economic development. Not least under the influence

of neo-classical economists (such as Krueger 1990; Ranis 1989; Stiglitz 1996; World Bank 1993) and statist international political economists (notably, Amsden 1989; Evans 1995; Rodrik 1994; Wade 1990; Weiss 1998) who dominated debates on the efficacy and resilience of market-led co-ordination versus *dirigiste*, or state-led, development in the context of 'economic globalisation' (see Grinberg 2013: 173–8). As this debate ran out of steam in the late 1990s, scholars working in development studies and economic geography then embarked upon richly detailed research into global commodity chains, as a means of examining the impact of globalisation upon industrialisation in the developing world. While the foundational texts in this new paradigm were actually intellectually rooted in the lineage of monopoly capital and world-systems theory, the bulk of the emergent literature then arguably became highly descriptive and/or tended to focus on conceptualising industrial or business organisation on a 'network' basis (that is, based on the pure contingency of immediate direct social relations) and to the complete eschewal of the question of the constitution of 'commodity chains' and, later, 'value chains' and the dynamics of the global system as a whole (Starosta 2010). Meanwhile, in the IPE literature of the 1990s the question of explaining capitalist diversity became dominated by 'new institutionalist' approaches—not least the 'varieties of capitalism' approach pioneered by Hall and Soskice (2001)—which further compounded the tendency to focus upon the apparently autonomous constitution of individual capitalist states' institutional forms, at the expense of the consideration of what makes them 'capitalist' in the first place and the 'constitutive elements they hold in common' (Coates 2014: 21).

To be fair, a new generation of critical IPE and international relations scholars in recent years has at least sought to rectify the lack of a substantive theorisation of global transformation and uneven development in dominant debates, couched in questions of 'capitalist diversity' (Bruff and Ebenau 2014) or of 'uneven and combined development' (see Allinson and Anievas 2009). For us, however, these contributions have yet to offer a convincing, substantive basis for a 'unified field theory' of uneven development and the ever-changing geographies of capitalism—a necessity famously identified by David Harvey (2005: 58–9; see also Rioux 2015: 508; Smith 1989). Insofar as they do represent a welcome return to older, sidelined debates and canonical Marxist and *marxisant* literature, and an even more welcome exposé of the ideological nature of mainstream approaches, these new contributions ultimately run the risk of reproducing

in new guises the problems we argue were already inherent in the classic literature: principally, in terms of explaining the concrete forms of 'variegated national capitalisms' and uneven development through the strategic and conscious action of key agents and 'social forces' that are somehow constituted outside of the process of capital accumulation; or in terms of resorting to the theory of 'unequal exchange' to explain 'underdevelopment'; or in terms of failing to *explain* the social determination of 'uneven and combined development', other than by means of a prior reliance upon the primacy of this under-theorised, abstract and trans-historical category.[4]

We suggest that the approach taken in this book can indeed provide such a unified field theory. By deciphering the national forms taken by the general content of an historically specific mode of the reproduction of total (worldwide) society, on the basis of the fragmentation of the productive subjectivity of the international working class, and through the development of the automation of large-scale industry within the NIDL, this book advances a substantive explanation of the inner relation between global transformation and uneven development that may well provoke criticism and debate, but which at least does so on distinctive and hitherto largely unfamiliar grounds.

Outline of the Book

The argument in Part I of this book—containing chapters by Iñigo Carerra, Caligaris and Starosta—sustains that Fröbel, Heinrichs, and Kreye were right to proceed from a global perspective on capital accumulation, and also right in the centrality they attributed to the recent material transformations of the capitalist labour process as key to the explanation of the developmental potentialities of late-industrialisation. On the basis of this critical re-examination of the NIDL thesis, the book goes on to argue that a revised NIDL thesis can shed new light on the specificities of capital accumulation in various parts of the contemporary world. Two particularly significant general insights emerge from these early chapters. First, that both the classical and new international divisions of labour should be most fruitfully re-signified in terms of the role played by *ground-rent* in specific national spaces of accumulation (a category explained in Part I). And second, that there remain essential continuities inherent to the classical international division of labour which necessitate that the current constellation of the world economy be understood as being constituted by the co-existence of both old and new international divisions of labour.

Such insights carry with them important and hitherto unacknowledged implications for the study of international political economy, and conclusions that contrast sharply with dominant critical and orthodox theories of global capitalism and uneven development.

The remainder of the book incorporates case study material on four countries in Latin America, two European countries, and one Southeast Asian country. The choice of national case studies in Part II is by no means arbitrary.[5] Each of the countries the respective authors examine is, in their own way, paradigmatic and emblematic of the essential dynamics of the NIDL that we are seeking to draw out theoretically and concretely in this book. Argentina and Brazil, for example, are the most visible examples of countries in which the structural characteristics of the CIDL persist and complement those of the NIDL to this day (certainly since the recent commodity export boom, and the revival of import substitution industrialisation under the Kirchners in Argentina). Ecuador and Venezuela represent the starkest examples of what Thomas Purcell in his chapter terms 'landlord states' within the contemporary international division of labour. And, notwithstanding their 'advanced' country status, Ireland and Spain continue to occupy a position within the NIDL on the basis of the differentiated and relativised development of the productive subjectivity of their working class, and therefore allow us to cast fresh light on the dynamics of development, capital accumulation, and crisis outside of the 'late industrialising' states of Latin America and Southeast Asia. Finally, South Korea stands out as the country which, in the past, has been used to undermine the original NIDL thesis since its 'take-off' is often said to be the exception that disproves the rule of that thesis (as formulated by Fröbel, Heinrichs, and Kreye, of course).

The book begins with a chapter originally published in Spanish, which introduces Juan Iñigo Carrera's take on the NIDL. In it, Iñigo Carrera proceeds from a particular point of departure, that is, from the *global process* of accumulation in its organic unity, and within which distinct national processes of accumulation emerge as specific concrete forms of that same global process. He argues that there is an objective determination relating to the formation of a general rate of profit as the regulator of the unity of the process of capital accumulation, and which engenders a qualitative difference between those capitals that are able to contribute to that formation and those which cannot—resulting therefore in differentiated concrete rates of profit. The latter sections of the chapter integrate these two arguments so as to present an innovative, critical, methodological basis for

the re-examination of the CIDL and NIDL—one that sharply contrasts with dominant interpretations.[6]

In Chap. 3, Gastón Caligaris provides fresh insight into the old, or classical, international division of labour and into the development of capitalism in resource-rich countries whose longstanding historical role in the world market has been to produce ground-rent-bearing commodities. The chapter builds, again, upon the notion of capital accumulation as being global in content and national in form. From this perspective Caligaris challenges a dominant perspective that explains the functioning of a national economy as the result of domestic politics, and another that explains it as a consequence of foreign influence and domination. He instead presents an original approach that explains the specific characteristics of the national process of accumulation in countries specialised in the production of ground-rent-bearing commodities, and in doing so substantiates the argument that ground-rent is essentially constituted by the surplus-value resulting from the valorisation of industrial capitals abroad and which flows into 'resource rich', raw materials-producing countries. The chapter therefore further advances the critique of those approaches that attempt to explain such characteristics through theories and analyses of unequal exchange with advanced capitalist countries. The latter sections of the chapter use empirical evidence from the example of capitalist development in Argentina during the twentieth century to illustrate the core argument.

In Chap. 4, Guido Starosta turns his attention to the task of the critical reconstruction of the NIDL thesis. While acknowledging the insights of the original thesis, Starosta argues that the foundation for the emergence of the NIDL does not reside in the intensification of the manufacturing division of labour, that is, in the deskilling resulting from the subdivision of the production process into elements. Instead, the NIDL developed as an expression of the impact that the progress of the automation of capitalist large-scale industry has had on the individual and collective productive subjectivity of the working class. More specifically, the constitution of the NIDL has been the result of the transformation of the modes of existence of the global collective labourer, brought about by the leap forward in the process of computerisation and robotisation of the production processes of large-scale industry, especially since the 'microelectronics revolution'. As a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost

and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation therefore tends to concentrate a certain type of labour-power of distinctive material and moral productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. Production in specific industrial sectors has thereby expanded in some countries, while contracting in others where new and more advanced sectors developed, following a rhythm determined by the evolution of those two main factors—i.e. technological change and the relative cost and productive attributes of national labour forces. An important claim made by this chapter, therefore, and which subsequently has relevance for Chaps. 5 and 9, concerns the degree to which structural characteristics of the CIDL and the NIDL today co-exist in national spaces of accumulation—particularly in Latin America. This, the chapter concludes, actually confirms the validity of a reworked NIDL thesis rather than its unequivocal refutation.

Part II turns to national case studies of capitalist development within the international division of labour. In Chap. 5, Thomas Purcell scrutinises the experiences of two countries whose national governments have been said to be representative of 'post-neoliberalism', Ecuador and Venezuela. Taking his cue from Part I, Purcell argues that the CIDL was never simply reducible to the polarisation of an industrialised core and a dependent periphery, with the latter restricted to the role of supplier of raw materials and staple foods. Rather, there was an important process of accumulation in the periphery, whereby national industrial capital was able to valorise through the appropriation of inflows of ground-rent; a process which today also points towards the continuation of elements of the classic within the new IDL. The global rise in primary commodity prices in recent years has put the question of the use of income from natural resources for developmental goals back on the political agenda across Latin America. Drawing upon Iñigo Carrera (2007), Purcell examines the distinction between agricultural and mining landownership in the context of global transformation associated with the international division of labour, so as to explain the developmental trajectories of Ecuador and Venezuela. He argues that dual landlordism in Ecuador—in the form of an agro-export elite and a state-controlled oil sector—contrasts with the singular dominance of the state-controlled oil sector in Venezuela, and this, for Purcell, explains the manner in which the two national forms of

insertion into the international division of labour have determined different national variants of post-neoliberalism.

Chapter 6 examines Ireland's rapid structural economic transformation during the 1990s, and the debates that emerged about the potentialities and limits of this idiosyncratic 'developmental model', and its apparently successful integration into the global economy. Whilst neo-liberal economists have tended to explain the Irish experience of rapid growth in terms of the adoption of a liberalisation and export-led strategy that opened the economy to vast inflows of 'high-tech' FDI (foreign direct investment), critical commentators have argued that such an account ignores the active role actually played by the Irish state and related institutions and organisations in shaping the precise mode in which the 'local' economy integrated into 'globalised networks' of high-tech production and innovation. According to this alternative view, the Irish case is actually that of a Network Developmental State that manages the connection between the local and the global and, through its active involvement in industrial development, steers the national economy along a path of integration into the technologically most dynamic elements of the world economy. In contrast to the authoritarian state developmentalism of the East Asian Tigers, and their (initial) reliance on the 'super-exploitation' of cheap manual labour, the Celtic Tiger model would be predicated on democratic institutions and more qualified, higher-wage jobs in cutting-edge sectors of the economy. Tomás Friedenthal and Guido Starosta take issue with these apparently opposed explanations insofar as they both explain the trajectory of the Irish developmental process on the basis of the successful implementation of 'correct' nation-state policies (even if they disagree on the precise nature of those policies). By contrast, this chapter argues that the Irish experience is yet another concrete expression of the further development of the essentially *global* dynamics of the NIDL. More specifically, it argues that the continuous skill-replacing technical change characterising the production of relative surplus-value across the globe has allowed capital to integrate national working classes with more skilled, but still relatively cheaper, labour-power into the NIDL. The peculiar state policies and institutions prevailing in Ireland are therefore grounded in this specific form of integration into the NIDL.

In Chap. 7, Greig Charnock, Thomas Purcell, and Ramon Ribera-Fumaz focus on the case of Spain in support of Iñigo Carrera's argument that, as a result of the general crisis of overproduction, the marked differentiation in the conditions of reproduction and exploitation of the working

class *within* national borders since the 1970s has unfolded through a form of differentiated integration in Europe. Charnock, Purcell, and Ribera-Fumaz argue that it is crucially important to understand the longer-term historical role played within the NIDL by relatively late-industrialising countries that are today bearing the brunt of crisis and internal devaluation in a 'unified' Europe. Focusing on Spain, they argue that it is precisely on the material basis of its full integration within the NIDL from the mid-1970s that the conditions of the reproduction of the working class were reshaped, and it is this historical component in the reproduction of the Spanish accumulation process that has prefigured the process of the differentiation of the conditions of the reproduction of the working class across *and* within its borders ever since.

In Part III, we turn to specific sectoral case studies within the NIDL. The choice of case studies is again not arbitrary, since the automotive and steel production sectors have been at the historical vanguard of the move towards the NIDL, and they have been industries in which the actual determinants of the NIDL, which the book seeks to identify, have been most visible. In Chap. 8, Alejandro Fitzsimons and Sebastián Guevara examine the historical development of the Argentine automotive industry from the mid-1950s to the present. They argue first that the peculiar characteristics of low scales of production, obsolete technology, and the resulting low global competitiveness of the local auto industry in its initial stages were determined by the specific form of capital accumulation prevailing in Argentina as a result of its participation in the CIDL. This specificity had at its core the process of appropriation by industrial capital of a portion of the relatively abundant ground-rent available in Argentina; in this case, by transnational automotive manufacturers. Challenging the dominant point of view that the development of the NIDL led to the qualitative restructuring of the Argentinean automotive industry, this chapter examines concrete changes within the labour process and forms of valorisation of capital in the industry. In so doing the chapter argues that, despite these changes, the automotive industry in fact continued its development on the same basis as before—i.e. the appropriation by TNCs of a portion of agrarian ground-rent. Fitzsimons and Guevara conclude, therefore, that the NIDL did not 'restructure' the Argentine automotive industry—as is commonly claimed.

In Chap. 9, Nicolas Grinberg offers an alternative account to the mainstream, institutionalist view on the state-led process of economic

development in Brazil and South Korea. Focusing on the development of the Brazilian and Korean steel industries, Grinberg claims that the specific form of participation of each economy in the production of relative surplus-value on a global scale has determined both the pattern of industrialisation that followed, and the political processes through which it came about. In Brazil, industrial capital has accumulated through the state-mediated recovery of ground-rent, which has implied small-scale production for protected domestic markets. By contrast, in South Korea industrial capital has accumulated through the exploitation of a relatively cheap and disciplined workforce performing simplified activities for world market production in increasingly complex sectors. The significance of Grinberg's analysis for us is that, while South Korea's 'take-off' is often used to refute the original NIDL thesis, the Korean case actually vindicates the revised version of the NIDL thesis put forward by this book.

Notes

1. See, for example, Iñigo Carrera (2006, 2013, 2014, 2015). Several of Iñigo Carrera's other working papers are available in English through the CICP web site: http://www.cicpint.org/CICP%20English/Principal.html.
2. The productive attributes of workers include the strictly material or technical dimension of labour-power required by the particularity and complexity of the productive functions to be performed, as well as its 'moral' attributes (that is, the general forms of consciousness and self-understandings that make those workers suitable for the specific forms of discipline that a certain organisation of the capitalist labour process entails). The term 'productive subjectivity' captures this twofold dimension of labour-power.
3. As Radice (2009: 29) summarises, 'the mechanism through which this unequal distribution of rewards is sustained is, in essence, that of market structure: businesses and zones engaging in core activities have market power based on superior technology, management and access to finance, while those engaging in peripheral activities have only generic resources of cheap land and unskilled labour, the markets for which are highly competitive.'
4. All three of these frameworks/concepts figure in the selection of articles edited by Bruff and Ebenau (2014). See Rioux (2015) for a critical discussion of Trotsky's notion of 'uneven and combined development', and for a thorough critique of the (failed) attempt to come up with 'a social theory of the international' in the work of Justin Rosenberg and others.
5. It ought to be self-evident from the foregoing outline of the approach taken in this book that a focus on country case studies does not imply a crude

methodological nationalism on our part. But to clarify, Part II focuses on countries for two reasons: first, because even if it is a mediating form and not a self-subsistent content, the national form is real and objective, and it is actually by exacerbating national differentiation that the global content of the NIDL unfolds; and it allows us to show that it is impossible to explain national dynamics as if they were autonomous from the global content of accumulation.

6. An appendix to Chap. 2, which we have been unable to reproduce in this book due to space constraints, is available at: https://www.academia.edu/24332230/End_Notes_to_The_general_rate_of_profit_and_its_realisation_in_the_differentiation_of_industrial_capitals_1?auto=download. In it, Iñigo Carrera confronts two crucial problems: first, the asymmetric relation between national economies of markedly distinct structures; and, second, the asymmetric relation between capitals of very distinct accumulation capacities within the same value chain. Until now, the first question has been approached by means of theories of development and underdevelopment, imperialism, unequal exchange, dependency, and so on. Iñigo Carrera asserts that these theories all conceive of national processes of accumulation as being essentially autonomous. The second question of the asymmetric relation within value chains has, until now, been explained by theories of imperfect competition and of monopoly capital. Both theories agree that such asymmetry results from the behaviour of key agents. Therefore both theories erroneously eschew the existence of objective determinations that regulate social production and consumption through the formation of a general rate of profit.

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The System of Machinery and Determinations of Revolutionary Subjectivity in the *Grundrisse* and *Capital*[1]

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This chapter proposes a reading of Marx's exposition of the forms of the real subsumption of labour to capital – in particular, the system of machinery of large-scale industry – as constituting the dialectical presentation of the determinations of revolutionary subjectivity. The proposition that the real subsumption constitutes the ground of revolutionary subjectivity should come as no surprise. In reality, this is no more than the concretisation of that insight about the most general determination of the process of 'natural history' constituting the development of humanity that Marx expounded in the Paris manuscripts of 1844. According to that early text, the content of the history of the human species consists in the development of the specific material powers of the human being as a working subject, that is, of *human productive subjectivity*. It is in the historical transformation of its material and social forms, Marx concluded, that the key to the abolition of capital – hence, to revolutionary subjectivity – should reside. However, that early attempt at the critique of political economy could not offer a rigorous scientific comprehension of the social determinations underlying the revolutionary transformation of society. Armed with a Feuerbach-inspired method of transformative criticism, Marx managed *analytically* to uncover alienated labour as the hidden *social* foundation behind

1. A shorter version of this paper has appeared in *Science & Society* 75, 1, 2011.

the reified objectivity of 'economic categories'. In turn, in those early writings he analytically discovered the specificity of the human species-being (i.e., human productive subjectivity) as the *material* content historically developing in that alienated form. However, although these discoveries allowed Marx to grasp the *simplest* (human) determination behind the content and form of the abolition of alienated labour, he arguably failed at *synthetically* unfolding the further mediations entailed by the social and material constitution of the revolutionary subject.[2]

The theoretico-practical need for the further dialectical development of the critique of political economy, which would eventually lead Marx to write *Capital*, expresses the following fact. The immanent ground of revolutionary subjectivity is not simple and unmediated; for instance, the sheer general materiality of human productive practice as the negated content behind the alienated objectivity of capitalist social forms.[3] Instead, it is a 'unity of many determinations', which therefore means that its scientific comprehension can only be the result of a complex dialectical investigation involving both the analytic movement from the concrete to the abstract and the synthetic, mediated return to the concrete starting point.[4] Dialectical research must therefore analytically apprehend all relevant social forms and synthetically reproduce the 'inner connections' leading to the constitution of the political action of wage-labourers as the form taken by the revolutionary transformation of the historical mode of existence of the human life-process.

Now, as the title of Marx's most important work denotes, the subject whose determinations the dialectical investigation proceeds to discover and present is *capital*, which, as the alienated subject of social life, becomes 'the all-dominating economic power of bourgeois society' and must therefore 'form the starting-point as well as the finishing-point' of the ideal reproduction of the concrete.[5] This does not leave revolutionary subjectivity outside the scope of the dialectical unfolding of capitalist social forms. Rather, it means that revolutionary subjectivity itself must be comprehended as the realisation of an immanent determination of capital as alienated subject.[6] Accordingly, its dialectical *presentation*

2. Starosta 2005.
3. As argued by so-called 'Open Marxists'. See Bonefeld, Gunn and Psychopedis (eds.) 1992.
4. Iñigo Carrera 2003.
5. Marx 1993, p. 107.
6. This point was insightfully hinted at in the 1970s by Giacomo Marramao in his critical appraisal of the polemic between the more subjectivist positions of Korsch and the Dutch Left Communists (Pannekoek, Gorter) and the objectivism of defenders of the theory of capitalist breakdown (Mattick, Grossmann). See Marramao 1975/6, pp. 152–5, and 1982, pp. 139–43. At least formally, Marramao correctly highlighted the necessity to ground the genesis of class-consciousness 'in terms of the process of production and

must essentially consist in the *synthetic* unfolding of the contradictory movement between materiality and capital-form up to its absolute limit, revealing the proletariat's self-abolishing action as the necessary form in which the former content asserts itself.[7]

It was fundamentally in *Capital* (but, crucially, also in the *Grundrisse*), mainly through the exposition of the determinations of the different forms of production of relative surplus-value (hence of the real subsumption of labour to capital), where Marx managed to concretise the systematic dialectic of alienated human labour. He did this by showing precisely what the capital-form does to the materiality of human productive subjectivity as it takes possession of, and transforms, the labour-process. Seen externally, the implicit concrete question under investigation was the following: does capital transform human productive subjectivity in a way that eventually equips the latter with the material powers to transcend its alienated social form of development? From this materialist standpoint, only if this were the case would it make sense to pose the question of conscious revolutionary action as a concrete objective potentiality immanent in capitalist society.[8] In other words, Marx's point was the need to discover the material determinations of communist society in their present mode of existence as an *alienated potentiality* engendered by the autonomised movement of the capital-form to be realised – that is, turned into *actuality* – precisely and necessarily through the conscious revolutionary action of the self-abolishing proletariat.

Those determinations appear scattered and are just mentioned in passing in several of Marx's texts. They all characterise the simplest defining character of communism as the fully self-conscious organisation of social labour as a collective potency by the thereby freely associated producers. It is in the *Grundrisse*, in the context of the critique of Adam Smith's conception of labour as sacrifice, that Marx offers the clearest and most concise characterisation of the general attributes of what he calls 'really free working':

> The work of material production can achieve this character [as 'really free working', GS] only (1) when its social character is posited, (2) when it is of

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reproduction', that is, within the 'objectivity of social relations' and their (autonomised) self-movement. In other words, Marramao clearly saw the necessity to establish a firm connection between the critique of political economy and the 'theory of revolution'. More recently, the point about need to find the immanent ground of emancipatory subjectivity in the contradictory unfolding of the reified forms of social mediation of capitalist society has been forcefully made by Postone 1993, although his own attempt is not without weaknesses. See Starosta 2004.

7. For an elaboration of the methodological underpinnings of this point, see Iñigo Carrera's chapter in this book.

8. Marx 1993, p. 159.

> a scientific and at the same time general character, not merely human exertion as a specifically harnessed natural force, but exertion as subject, which appears in the production process not in a merely natural, spontaneous form, but as an activity regulating all the forces of nature.[9]

The interesting and 'intriguing' aspect of this passage is that Marx not only claims that in order to be really free, labour must become a consciously organised, directly social activity, but also that the consciousness regulating that emancipated productive activity must be of a *general* and *scientific* kind. As we shall see later, this latter attribute, scarcely mentioned by Marx on other occasions,[10] will prove of paramount importance for our comprehension of the concrete determinations of revolutionary subjectivity; a task that Marx himself achieved, although not without tensions and ambiguities. At this stage, I would just like to reformulate the question of the relation between capital and productive subjectivity posed above in the light of that passage from the *Grundrisse*. Does the development of capital transform human productive subjectivity in such a way as to engender the necessity of producing the latter with the two general attributes mentioned by Marx? Furthermore, is the working class the material subject bearing them?

In this paper, then, I discuss the way in which Marx, through the dialectical exposition of the contradictory movement of the real subsumption, actually presented the genesis of the revolutionary subject. The argument is firstly developed through a close reading of Marx's discussion of the determinations of large-scale industry in *Capital*, as the latter constitutes the most developed form of real subsumption. The essence of this capitalist transformation of the production-process of human life lies in the mutation of the productive attributes of the collective labourer according to a determinate tendency: the individual organs of the latter eventually become *universal productive subjects*. This is the inner *material* determination underlying the *political* revolutionary subjectivity of the proletariat. However, I argue that Marx's dialectical exposition of those transformations in *Capital* is in some respects truncated and does not unfold the plenitude of the material determinations underlying the revolutionary existence of the working class. The latter is presented as no more than an abstract possibility. A gap therefore remains between the 'dialectic of alienated human labour' unfolded in the chapters on relative surplus-value in *Capital*, and the revolutionary conclusions at the end of Volume I in the chapter on 'The Historical Tendency of Capital Accumulation'. The paper finally suggests that the so-called 'Fragment on machines' from the *Grundrisse* contains a different but complementary perspec-

9. Marx 1993, pp. 611–12.

10. See, however, Marx's remarks in the *Paris Manuscripts* on the need for the constitution of 'natural science of man' or 'human natural science' as the basis for emancipated human practice. Marx 1992b, p. 355.

tive on the productive subjectivity characteristic of large-scale industry. Through a careful reading of the relevant passages of that earlier version of the critique of political economy, it is possible to undertake the completion of the systematic unfolding of the social and material determinations of revolutionary subjectivity.

Large-scale industry and workers' productive subjectivity in *Capital*

The guiding thread running through Marx's exposition of the concrete forms of the production of relative surplus-value resides in the revolutions to which capital subjects the productive subjectivity of the doubly free labourer as the means for the multiplication of its power of self-valorisation. However, it is not there that Marx's presentation of the determinations of large-scale industry begins. The reason for this derives from the very starting point of the production of relative surplus-value through the system of machinery that characterises large-scale industry. As Marx points out, if in manufacture the point of departure of the transformation of the material conditions of social labour was productive subjectivity as such (with the transformation of the instrument of labour, in the form of a specialisation, determined as a result of the former), in large-scale industry the transformation of the instrument of labour constitutes the starting point, the transformation of the wage-labourer being its result.[11]

Marx presents the essence of this transformation of the human labour-process by developing the specific materiality of machinery, in particular *vis-à-vis* the labour-process in manufacture. In reality, the simplest determination of that difference was already anticipated by Marx in the transition contained in the previous chapter of *Capital*, where the necessity of the development of machinery was laid bare. I am referring to capital's need to do away with the subjective basis of manufacture through the development of an 'objective framework' for material production, independent of the manual expertise and immediate practical knowledge of workers. In brief, it is about giving an objective form to the powers of social labour springing from direct productive co-operation.[12]

The two-fold material specificity of the machine thereby springs from the objectification of both the – however restricted – knowledge and manual skills and strength of the manufacturing labourer. On the one hand, capital strives to substitute the movement of the forces of nature for that of the human hand as the immediate agent in the transformation of the object of labour into a new use-value. On the other hand, it attempts to displace the immediate subjective experience of the worker as the basis for the conscious regulation of the

11. Marx 1976a, p. 492.
12. Marx 1976a, pp. 490–1.

labour-process, that is, as the basis for knowledge of the determinations of the latter. This implies, in the first place, the need to turn the production of that knowledge into an activity which, whilst clearly remaining an inner moment of the organisation of social labour, nonetheless acquires a differentiated existence from the immediacy of the direct production-process. Coupled with the need to objectify it as a productive power directly borne by the 'dead labour' represented in the machine, that knowledge must necessarily take the general form of *science*.[13] Capital thereby advances, for the first time in human (pre)history, in the generalisation of the application of science as an immediate potency of the direct production-process.[14] Note, however, that at this stage of the exposition scientific knowledge does not appear directly as productive activity but only as already objectified in the form of the machine, that is, simply as a presupposition for the latter's existence.

Thus far, these are the fundamental aspects of Marx's exposition of the *material* specificity of the production-process of capital based on the system of machinery, i.e., the transformations it suffers in its aspect as a process of production of use-values. However, the process of production of capital is such for being the unity of the labour-process and the valorisation-process. Hence, Marx's presentation goes on to develop the specific impact of the system of machinery on the conditions for value's self-expansion, on the *form-determinations* of the production-process of capital.[15] With this, Marx's presentation exhausts the novel determinations brought about by the system of machinery to the production-process as they pertain to its 'objective factor'. What necessarily follows, then, is the investigation of the impact of these transformations on the 'subjective factor' of the labour-process, that is, on the worker.

In the third section of the chapter on large-scale industry, Marx initially presents what he refers to as only 'some general effects' of the system of machinery on the worker, that is, those changes that can be discussed without developing the specific form in which the 'human material is incorporated with this objective organism'.[16] In other words, these are the effects whose development does not involve any new *qualitative* determination in the productive subjectivity of workers. Rather, they refer to the *quantitative* changes that machinery brings about in capital's valorisation-process as a process of exploitation of living labour. These include: the quantitative extension of the mass of exploitable labour-power through the incorporation of female and child-labour; the tendency

13. Marx 1976a, p. 508.
14. Marx 1994, p. 32.
15. Marx 1976a, pp. 508–17.
16. Marx 1976a, p. 517.

to prolong the working day; and the tendency to increase the intensive magnitude of the exploitation of human labour.

It is in section four, through the presentation of the functioning of 'the factory as a whole', that Marx starts to unfold the specific *qualitative* determinations of the productive subjectivity of large-scale industry. The discussion of a passage from Ure serves Marx succinctly to identify the most general determination of the factory as the sphere of capitalist society where the conscious regulation of an immediately social production-process takes place. A conscious regulation, however, that is determined as a concrete form of the *inverted general social regulation* as an attribute of the materialised social relation in its process of self-expansion. In the factory – and this is the issue that Ure's definition overlooks – this inverted social existence reaches a further stage in its development by acquiring a 'technical and palpable reality'.[17]

Thus, the scientific conscious regulation of social labour characterising large-scale industry is not an attribute borne by those workers performing direct labour in the immediate production-process. For them, those powers exist already objectified in the system of machinery, to whose automatic movement they have to subordinate the exercise of their productive consciousness and will, to the point of becoming 'its living appendages'.[18] Large-scale industry consequently entails an enormous scientific development of the 'intellectual faculties of the production process' only by exacerbating their separation from direct labourers. In its mode of existence as a system of machinery, the product of labour comes to dominate the worker in the direct process of production not only formally but even materially as well. Capital thus appears to those workers as the *concrete material subject* of the production-process itself.

With all these elements, we can now turn to summarise the specific determination of the productive subjectivity of the worker of large-scale industry. In (*tendentially*) doing away with the need for all specialised skill and knowledge of workers, the production of relative surplus-value through the system of machinery gives the development of their productive subjectivity the concrete form of an *absolute degradation*. In this brutal way, and in opposition to the *particularism* of the subjectivity of the wage-labourer of manufacture, large-scale industry begets, as its most genuine product, a *universal worker*, that is, a productive subject capable of taking part in any form of the human labour-process. In the words of Marx:

> Hence, in place of the hierarchy of specialised workers that characterizes manufacture, there appears, in the automatic factory, a *tendency* to equalize

17. Marx 1976a, p. 548.
18. Ibid.

> and reduce to an identical level every kind of work that has to be done by the minders of the machines; in place of the artificially produced distinctions between the specialized workers, it is natural differences of age and sex that predominate.[19]

With this tendency to the production of workers who are capable of working with any machine, the simple material or technical necessity for the life-long attachment of individuals to a single productive function disappears.[20] However, insofar as machines become specialised into certain particular productive functions, the persistence of the division of labour in the factory is still technically *possible*. Indeed, Marx argues, the exploitative relation between capitalists and workers that mediates the development of the material productive forces of social labour as an alienated attribute of its product, leads to the reproduction of the 'old division of labour' in an even more hideous fashion.[21] Large-scale industry's tendency to produce an increasingly universal worker is thereby realised in the concrete form of its negation, that is, by multiplying the spaces for the exploitation of living labour on the basis of an exacerbation of 'ossified particularities'. Thus, the individual capitalist could not care less about the disappearance of the technical necessity for a particularistic development of the worker's productive subjectivity. Under the pressure of competition, his/her only individual motive is the production of an extra surplus-value. If he/she can obtain it by attaching the worker to 'the lifelong speciality of serving the same machine',[22] so he/she will. In effect, the reproduction of the division of labour under the new technical conditions implies that a lower value of labour-power can be paid – since 'the expenses necessary for his [the workers', GS] reproduction' are 'considerably lessened'. In addition, it implies that a greater docility on the part of the exploitable human material is induced – since 'his helpless dependence upon the factory as a whole, and therefore upon the capitalist, is rendered complete'.[23]

It is crucial, at this juncture, to be clear about this contradictory movement between universality and particularity of the determinations of the productive subjectivity of large-scale industry. Paraphrasing Marx, here, as everywhere else, we must distinguish between the general tendency of capital-accumulation and the concrete forms in which the essence of the historical movement is realised. *Thus, the essential determination which, as we shall see, expresses the reason to be of the capitalist mode of production, lies in the tendency to universalise the productive attributes of wage-labourers*. This is the general movement of the production of

19. Marx 1976a, p. 545, my emphasis.
20. Marx 1976a, p. 546.
21. Marx 1976a, p. 547.
22. Ibid.
23. Ibid.

relative surplus-value through the system of machinery which underlies – hence, gives unity to – the variegated forms that the labour-process presents in the course of capitalist development. In order to substantiate this, let us now move ahead in our reading of Marx's investigation of large-scale industry to the point in *Capital* where he further unfolds the movement of the identified contradiction, that is, to the subsequent discussion of factory-legislation in section nine of this same chapter.[24]

The crucial point for our argument is that section nine completes (as far as *Capital* is concerned) the development of the specific determinations of the productive subjectivity of large-scale industry. In effect, Marx's exposition in section four had left the dialectical presentation with an unresolved contradiction between large-scale industry's general tendency for universality and the exacerbation of the particularism of the division of labour that, left to the unrestrained will of individual capitalists, it allowed. In addition, we shall see how this discussion leads Marx, for the first time in his dialectical exposition, to uncover the revolutionary historical potentialities carried by this specifically capitalist form of human labour-power.

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24. In my view, Marx's presentation is not fully clear and consistent in distinguishing between essential determination (and therefore general tendency) and concrete form in which it is realised. This lack of clarity probably stems from the uneasy co-existence of systematic and historical moments in the exposition. Thus, he firstly presents the general determination of the productive subjectivity of large-scale industry (namely, its universality) 'in its purity', without necessarily implying that it has been fully realised in its historical concrete forms. However, in his subsequent empirical illustrations he seems to treat the general determination as an immediate actuality. He therefore posits the persistence of the particularistic development of productive subjectivity as '*artificially*' reproduced by superimposing the division of labour where its technical necessity has actually disappeared. See Marx 1976a, pp. 546–7, where he remarks that the insignificance of 'on-the-job' skills required for machine-work has done away with the need to bring up a special kind of worker and that the attachment of the worker to a single specialised machine represents a 'misuse' of the latter. While this might have been more or less the case in the particular industries that he discusses, this was by no means the general situation of large-scale industry in his time. The general tendency for a universal productive subjectivity is realised only *gradually* in the historical course of capital-development. In this sense, the technical necessity for particularistic attributes of labour-power is not done away with overnight. Without a doubt, the historical development of large-scale industry registers a tendency for the degradation of experienced-based ('tacit') knowledge of the determinations of the labour-process. However, the progress of capitalist automation has so far involved the recreation of the technical necessity for certain (albeit increasingly more limited) particularistic development of productive subjectivity. Thus, even during the so-called 'Fordist' cycle of accumulation, the full mastery of machines required a relatively lengthy learning process achieved by flanking a skilled operator. Only with the more recent wave of computer-based automation have particularistic or experienced-based skills significantly lost their former centrality (without, however, fully disappearing). On these recent transformations in the labour-process, see Balconi 2002.

The movement of 'the contradiction between the division of labour under manufacture and the essential character of large-scale industry'[25] acquires a first expression in the establishment of compulsory elementary education for working children. As Marx points out, the unchecked exploitation of child-labour by individual capitals led not only to the 'physical deterioration of children and young persons',[26] but also to an artificially-produced intellectual degeneration, which transformed 'immature human beings into mere machines for the production of relative surplus-value'.[27] Since 'there is a very clear distinction between this and the state of natural ignorance in which the mind lies fallow without loosing its capacity for development, its natural fertility',[28] these excesses of the capitalist exploitation of child labour-power eventually reacted back on the very capacity of valorisation of total social capital by jeopardising the existence of the future generation of adult-workers in the 'material and moral conditions' needed by capital-accumulation itself. This is illustrated by Marx through a discussion of the case of the English letter-press printing trade, which, before the introduction of the printing machine, was organised around a system of apprenticeship in which workers 'went through a course of teaching till they were finished printers' and according to which 'to be able to read and write was for every one of them a requirement of their trade'.[29] With the introduction of printing machines, however, capitalists were allowed to hire children from 11 to 17 years of age, who 'in a great proportion cannot read' and 'are, as a rule, utter savages and very extraordinary creatures'.[30] These young workers were day after day attached to the simplest of tasks for very long hours until being 'discharged from the printing establishments' for having become 'too old for such children's work'.[31] Those 17-year-old workers were left in such intellectual and physical degradation that they were unfit to provide capital, *even in the same factory*, with the miserably restricted productive attributes that it required from its immediate source of surplus-value, namely, human labour-power.

The education-clauses of the factory-legislation allow Marx not only to dispel any doubt about capital's 'universal vocation' in its transformation of human productive subjectivity. They also serve to highlight, for the first time in his whole dialectical exposition, that it is *only* the development of *that* specific form of human productive subjectivity that expresses capital's historic movement in the

25. Marx 1976a, p. 615.
26. Marx 1976a, p. 520.
27. Marx 1976a, p. 523.
28. Ibid.
29. Marx 1976a, p. 615.
30. Ibid.
31. Ibid.

production of the material powers for its own supersession as the general social relation regulating human life:

> As Robert Owen has shown us in detail, the germ of the education of the future is present in the factory system; this education will, in the case of every child over a given age, combine productive labour with instruction and gymnastics, not only as one of the methods of adding to the efficiency of production, but as the only method of producing fully developed human beings.[32]

Notice, however, that Marx makes clear that the education-clauses represent the *germ* – and just that – of the 'education of the future'. To put it differently, Marx's discussion aims at showing *both* that the social forms of the future are effectively carried as a potentiality by the productive subjectivity of large-scale industry under consideration *and* that, with the determinations unfolded so far, this potentiality is not yet immediate. On the contrary, in their 'paltriness', the education-clauses reveal that these determinations are far from being a 'method of producing fully developed human beings'. Rather, they are forms of positing individuals whose productive subjectivity is still trapped within the miserable forms imposed by the reproduction of the conditions for capital's valorisation. Other material transformations are still needed to mediate the development of those germinal elements into their plenitude.

The total social capital's necessity to produce universal workers is not exhausted by the obstacles to its valorisation posed by the division of labour within the workshop. As Marx remarks, 'what is true of the division of labour within the workshop under the system of manufacture is also true of the division of labour within society'.[33] In effect, inasmuch as the technical basis of large-scale industry is essentially revolutionary, it entails the permanent transformation of the material conditions of social labour and, therefore, of the forms of exertion of the productive subjectivity of individual workers and of their articulation as a directly collective productive body.[34] This continuous technical change thereby requires individuals who can work in the ever-renewed material forms of the production of relative surplus-value. 'Thus', Marx concludes, 'large-scale industry, by its very nature, necessitates variation of labour, fluidity of functions, and mobility of the worker in all directions'.[35] However, he also points out again how the general organisation of social production through the valorisation of independent fragments of social capital negates the immediate realisation of this tendency for an all-sided development of individuals.[36] The private fragmentation of social

32. Marx 1976a, p. 614.
33. Marx 1976a, p. 615.
34. Marx 1976a, p. 617.
35. Ibid.
36. See Bellofiore 1998a, for suggestive reflections on this question.

labour, and its reified social mediation through the capital-form, permits the reproduction of 'the old division of labour with its ossified particularities'.[37] Thus it gives the imposition of variation of labour the form of 'an overpowering natural law, and with the blindly destructive action of a natural law that meets with obstacles everywhere'.[38] In this contradictory form, the realisation of large-scale industry's tendency to produce universal workers nonetheless marches forward, also revealing that it is in the full development of this determination that this alienated social form finds its own *absolute limit*.[39] In other words, that it is on the fully-expanded universal character of human productive subjectivity that the *material basis* for the new society rests.

> This possibility of varying labour must become a general law of social production, and the existing relations must be adapted to permit its realization in practice . . . the partially developed individual, who is merely the bearer of one specialised social function, must be replaced by the totally developed individual, for whom the different social functions are different modes of activity he takes up in turn.[40]

With this discussion Marx unfolds the way in which the general necessities of the reproduction of the total social capital – in this case, workers bearing a universal productive subjectivity – clashes with its concrete realisation through the private actions of individual capitals (which strive for the perpetuation and exacerbation of the particularistic development of productive subjectivity). Moreover, we see how this contradiction moves by determining the working class as the personification of the mediated necessities of the valorisation of capital, the latter providing the material and social foundation for proletarian political power.[41] In

37. Marx 1976a, p. 617.
38. Marx 1976a, p. 618.
39. Marx 1976a, p. 617.
40. Marx 1976a, p. 618.
41. By 'mediated necessities', I denote those that are a moment of the production of surplus-value, but that are antithetical to the simplest (hence immediate) necessity of self-valorising value to increase its magnitude by any means personified by individual capitals. Although a proper discussion of this essential point exceeds the scope of this chapter, I think that this discussion illustrates the way in which Marx sees the systematic connection between capital-accumulation and class-struggle. Specifically, Marx presents the class-struggle as the most general *direct* social relation through which the *indirect* relations of capitalist production assert themselves. On this point, see Iñigo Carrera 2003, pp. 5–6. Whilst this certainly means that class-antagonism is an endemic reality of capitalist production, it also means that it is not the self-moving content behind its development (as argued, for example, by Bonefeld 1995). Moreover, neither does its simple existence as such immediately express the emergence of an antagonistic principle of organisation of social life other than the valorisation of capital, which would be, in turn, incarnated in the working class (as in the so-called 'Autonomist Marxist' approach; see Cleaver 1992 and De Angelis 1995). Instead, the systematic place of the class-struggle as a social form shows that the production of surplus-value is a potentiality of

effect, the development of large-scale industry makes the possession of a universal subjectivity a matter of survival for the members of the working class since, as evidenced by the aforementioned case of the printing-trade workers, only in that way can they be in a position to sell their labour-power to capital (thereby turning the alienated necessities of social capital into an immediate need for their social and material reproduction). Thus, workers have to 'put their heads together' again and, through their struggle as a class, force the capitalist state to 'proclaim that elementary education is a compulsory pre-condition for the employment of children'.[42] But what is elementary education if not a – certainly very basic – step in the formation of future *universal workers*? That is, in the development of productive attributes that equips the labourer to work not in this or that particular aspect of the immediately social labour-process of the collective labourer of large-scale industry, but in whatever task that capital requires from him or her?[43]

Social capital's need for universal workers thereby provides another material basis for the political power of the working class in its confrontation with the capitalist class over the conditions of its social reproduction. In this first expression of that relation between large-scale industry and workers' power represented by the Factory-Acts, the class-struggle does not appear to transcend its most general determination as the form of the buying/selling of the commodity labour-power at its value, which Marx unfolds in Chapter ten on 'The working day'.[44] Yet Marx advances the proposition that, when concretely developed, that tendency towards universal productive subjectivity will eventually provide the

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the alienated movement of social labour *in its unity*. In other words, Marx's exposition of the social form of class-struggle makes evident that the concrete subject of the process of valorisation – and hence of the movement of alienated social reproduction – is the *total social capital*. Compare Starosta 2005, Chapter Five. This does not imply the denial of the transformative powers of human practice personified by the workers. What this does imply is that whatever transformative powers the political action of workers might have – *both* capital-reproducing *and* capital-transcending political action – must be an immanent determination begotten by the alienated movement of capital as subject and not external to it.

42. Marx 1976a, p. 613.

43. Recent historical developments of machine-based production have confirmed the general tendency identified by Marx: degradation of particularistic productive attributes developed on the job, coupled with expansion of the requirements of formal education to produce its more *universal* dimensions. The latter is the necessary prerequisite for the constitution of the more general and abstract knowledge that the contemporary operator of computer-based technologies sets into motion vis-à-vis the 'Fordist' machinist ('controlling' the carrying out of a task rather than actually 'doing' it). See Balconi 2002.

44. See Kicillof and Starosta 2007a and 2007b; Iñigo Carrera 2003, pp. 81–2, and Müller and Neusüss 1975.

class-struggle with expanded transformative powers, namely, those necessary for the establishment of the workers' 'political supremacy' as a class.[45]

Now, the question immediately arises as to what are the more concrete determinations behind this inevitability of the proletarian conquest of political power? Unfortunately, Marx provides no answer in these pages. In fact, one could argue that no answer could have been provided at all. The unfolding of the necessity of 'proletarian dictatorship' as a concrete social form involves still more mediations and, therefore, the former is not carried by the social form we are facing at this point of the exposition in the form of an *immediate potentiality* to be realised through the political action of the workers as a class.[46] Thus, at this stage of the dialectical presentation, both this latter remark and the one discussed above regarding the totally-developed individual as the basis for the abolition of capital, cannot be but unmediated observations, external to the concrete determinations of the productive subjectivity of large-scale industry that we have before us. On the other hand, inasmuch as the latter *does* involve *a certain degree* of universality, a limited, albeit real, expression of the underlying tendency for the production of its fully-developed shape, Marx's reflections, although external, are undoubtedly pertinent. From a methodological point of view, he could therefore legitimately introduce those remarks in order to anticipate the direction that the further unfolding of this historically-specific contradiction of the capitalist mode of production – 'the only historical way in which it can be dissolved and then reconstructed on a new basis' – should take.[47] But as a proper, complete dialectical account of the determinations underlying the proletarian conquest of political power or, above all, of the revolutionary production of the free association of individuals, the presentation as so far developed definitely falls short.

This, in itself, should not be problematic. From the perspective of the dialectical investigation as such, this juncture of our critical reading of Marx's search for the determinations of revolutionary subjectivity is not a dead-end at all. It only means that our journey from the abstract to the concrete needs to proceed forward as our end-point – namely, revolutionary subjectivity – still lies ahead. In this sense, no anomaly lies before us. However, the question is very different when approached from the standpoint of the elements for such an investigation we can find already objectified in Marx's *Capital*. In that respect, the problem that the contemporary reader of *Capital* attempting to discover those determinations faces is, to put it briefly, that *they are not there*. Let us expand on this point.

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45. Marx 1976a, p. 619.

46. This would need the exposition of the tendency for the concentration and centralisation of capital as the alienated expressions of the socialisation of labour in the capitalist mode of production and whose absolute limit is reached when the total capital of society immediately exists as a single capital. Compare Marx 1975, p. 780.

47. Marx 1976a, p. 619.

We have seen how Marx, when faced with the tendential universality of the worker of large-scale industry and the growing conscious regulation of social labour it entails, *extrinsically* reflects upon the specific material form of productive subjectivity necessary to 'build society anew' on a really free basis. On the other hand, we have highlighted the methodological pertinence of such a reflection given that – as the passage on 'really free working' from the *Grundrisse* quoted above stated – the latter itself has as one of its determinations that of being a bearer of universal productive attributes, that is, capable of 'material production of a general character'. So far so good. But, as the reader will remember, the attribute of universality did not exhaust the determinations of the form of *productive* subjectivity with the immediate potentiality for 'really free working' (which, as I argued, should provide the material foundation of revolutionary *political* subjectivity). In the first place, the latter also entailed a process of material production whose general social character was immediately posited. This condition is present – at least tendentially – in the productive subjectivity of large-scale industry as developed in *Capital* too.[48] But, in addition, note that Marx's passage from the *Grundrisse* mentions that the universality of 'revolutionary' productive subjectivity must be the expression of a *scientific* consciousness, capable of organising work as 'an activity regulating all the forces of nature'. And here lies the crux of the matter.

Although the productive subjectivity of the worker of large-scale industry as presented in *Capital* tends to become universal, this universality is not the product of the *scientific expansion* of his or her capacity consciously to regulate the production-process, but of the increasing (eventually absolute) *deprivation* of all knowledge of the social and material determinations of the labour-process of which he or she is part. As we have seen above, for the workers engaged in the direct process of production, the separation of intellectual and manual labour reaches its plenitude. This kind of labourer can certainly work in any automated labour-process which capital puts before him or her, but not as the 'dominant subject' with 'the mechanical automaton as the object'. Rather, for those workers 'the automaton itself is the subject, and the workers are merely conscious organs, co-ordinated with the unconscious organs of the automaton, and together with

48. In the chapter on 'Machinery and large-scale industry', the tendency to expand the scope of the conscious regulation of the social character of labour co-exists with an opposite tendency to multiply the number of privately-mediated branches of the social division of labour, which is also the product of the movement of this form of production of relative surplus-value. See Marx 1976a, p. 572. But no reason is given for one or the other tendency to prevail. This occurs later in Marx's presentation, when he unfolds the determinations of the 'General law of capitalist accumulation'. There, the tendencies to the concentration and centralisation of capital show how the first tendency eventually imposes itself over the second.

the latter, subordinated to the central moving force'.[49] The scientific productive powers needed to regulate the forces of nature, and which are presupposed by their objectified existence in a system of machinery, are not an attribute that capital puts into the hands (or, rather, the heads) of direct labourers. In brief, in the figure of this wage-labourer bearing what, following Iñigo Carrera,[50] I term an absolutely *degraded productive subjectivity*, scientific consciousness and universality do not go together but are in opposition to one another. In other words, it is not this degraded productive subjectivity that, simply as such, carries in its immediacy the historical revolutionary powers that Marx himself considered necessary to make capital 'blow sky high'. Moreover, neither has Marx's exposition demonstrated that the very movement of the present-day alienated general social relation – capital-accumulation – leads to the social necessity to transform, in the political form of a revolution, the productive subjectivity of those labourers in the direction of their re-appropriation of the powers of scientific knowledge developed in this alienated form.

Yet, despite this insufficiency as an account of the material genesis of the revolutionary subject, it is here that Marx's exposition in *Capital* of the determinations of human productive subjectivity as an alienated attribute of the product of labour comes to a halt.[51] In the rest of Volume I (and the two remaining volumes), Marx no longer advances, in any systematic manner, in the unfolding of the material and social determinations of the revolutionary subject. From the point of the presentation reached, and after moving to the exteriority of the inner determinations of the production of surplus-value and to its reproduction, accumulation and the general law that presides over its movement, he just makes a gigantic leap into the conclusion contained in the chapter on the 'Historical tendency of capitalist accumulation', offering the following well-known account of the determinations leading to the abolition of the capitalist mode of production:

> Along with the constant decrease in the number of capitalist magnates, who usurp and monopolize all the advantages of this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this there also grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very

49. Marx 1976a, pp. 544–5.
50. Iñigo Carrera 2003.
51. This statement needs qualification insofar as the creation of a surplus population relative to the needs of the accumulation process also constitutes a transformation of productive subjectivity produced by the development of large-scale industry. More concretely, it represents the most extreme case of material mutilation of the productive attributes of the working class, that is, not simply their degradation but their outright non-reproduction.

> mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. The integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.[52]

If we leave aside the question of the misleading conflation between two *qualitatively different* (and, therefore, *analytically separable*) 'moments' of the revolutionary action of the working class contained in this passage – namely, the expropriation of the bourgeoisie and the abolition of capital – the question remains as to whether the determinations developed by Marx in the previous chapters suffice to justify the transition to this excessively simplistic and all too general account of the way 'the capitalist integument is burst asunder'.[53] Certainly, the tendency to the centralisation of capital discussed in the chapter on the 'General law of capital accumulation' does provide an exposition of the necessity behind the progressive socialisation of labour as an attribute of the capitalist form of private labour. But such an account stops short at the exteriority of the *quantitative determination* of the scope of consciously organised social labour without saying anything about the *qualitative transformations* of the productive subjectivity of the collective labourer that such an extension of the scale of the former presupposes. Seen from that perspective, I think that the transition to revolutionary subjectivity contained in the passage is definitely unmediated.

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52. Marx 1976a, p. 929.

53. Whatever the ambiguities of Marx's formulation in the passage from the chapter on the historical tendency of capital-accumulation cited above, a cursory reading of his so-called 'political writings' makes evident that he was very clear about the 'unity-in-difference' between the expropriation of the bourgeoisie and the abolition of capital. To begin with, this is synthesised in the political programme of the working class to be implemented through the revolutionary 'conquest of political supremacy' contained in the *Communist Manifesto*, whose *immediate* economic content unequivocally comes down to the absolute centralisation of capital in the form of state-property (hence the abolition of the bourgeoisie) and the universalisation of the conditions of reproduction of the working class, but does not involve the abolition of the capitalist mode of production. See Marx and Engels 1976, pp. 92–3. As Chattopadhyay 1992, pp. 92–3, competently shows, for Marx the revolutionary conquest of political power together with the expropriation of the bourgeoisie were the *necessary forms* in which to *start* the process of transformation of the capitalist mode of production into the free association of individuals. But, unlike the conception found in Lenin and orthodox Marxism generally, Marx was very clear that the political rule of the working class 'does not by itself signify the collective *appropriation by society*, and does not indicate the end of *capital*' (Marx 1992c, p. 93). The 'dictatorship of the proletariat' was for Marx a *period within the capitalist mode of production* – hence, not a *non-capitalist transitional society* – in which capital was to be entirely revolutionised in every nook and cranny up to the point of fully preparing wage-workers for their self-emancipation – hence for their self-abolition as working class (Ibid.).

How are those workers whose productive subjectivity has been emptied of almost all content to organise the allocation of the total labour-power of society in the form of a *self-conscious* collective potency (the latter being what the abolition of capital is all about)? The growing 'misery, degradation, oppression and so on' certainly confront those labourers with particularly extreme *immediate* manifestations of the alienated mode of existence of their social being. Therefore, they could lead them to reinforce their collective resistance to capitalist exploitation by strengthening their relations of solidarity in the struggle over the value of labour-power. In themselves, however, those expressions of capitalist alienation have no way of transforming the class-struggle from a form of the reproduction of that alienation into the form of its fully self-conscious transcendence. From a materialist perspective, the question does not boil down to the will radically to transform the world, but to the objective existence of the material powers to do so. As Marx puts it in the *Holy Family*, it is about an 'absolutely imperative *need*' determined as 'the practical expression of *necessity*'.[54] The emergence of the social necessity underlying the historical constitution of the latter still involves the mediation of more revolutions in the materiality of the productive subjectivity of workers.

In this sense, I concur in general with those who claim that Marx's *Capital* is *incomplete*. However, this is not in the sense that the dialectic of capital needs to be complemented with that of class-struggle,[55] or with the political economy of wage-labour,[56] as if those latter aspects were not an inner moment of the former itself. Rather, I think that it is the very 'dialectic of capital' and, more concretely, the contradictory movement of the production of relative surplus-value through the system of machinery, that is in need of completion. Without this further exploration into the development of human productive subjectivity as an alienated attribute of social capital, a gap is bound to remain between the 'dialectic of human labour' unfolded in the relevant chapters of *Capital* and the revolutionary conclusions at the end of Volume I.

In the following section, I shall examine Marx's presentation of the determinations of the system of machinery in the *Grundrisse*. Although the complete *systematic* unfolding of the missing determinations is not there either, the main *elements* for such a further investigation of revolutionary subjectivity can be extracted from that text.

54. Marx and Engels 1975a, p. 37.
55. Shortall 1994.
56. Lebowitz 2003.

The *Grundrisse* and the system of machinery: in search of the missing link in the determinations of revolutionary subjectivity

As an entry-point to Marx's account of the system of machinery in the *Grundrisse*, let us return for a moment to our examination of the determinations of large-scale industry as presented in *Capital*. More concretely, let us go back to the relation between science and the production-process. Although this form of production of relative surplus-value entailed the general application of science as a productive force, the latter was not an attribute materially borne by those labourers engaged in direct labour in the immediate process of production. For them, that scientific knowledge took the form of an alien power already objectified in the machine. Marx notes this in the *Grundrisse* as well.[57]

Yet, as Marx puts it in the 'Results of the immediate production process', those scientific powers ultimately are themselves the products of labour.[58] Thus, although the *formal* subject of those powers – as happens with all the powers springing from the direct organisation of human co-operation – remains capital, the question immediately arises as to who is the *material* subject whose (alienated) *intellectual* labour develops the scientific capacities of the human species and organises their practical application in the immediate process of production. Having discarded manual labourers as such a productive subject, it would seem that the only alternative must be to turn our attention to the only remaining character present in the direct production-process, namely, the capitalist. Is it he or she who personifies, through the development of his/her productive consciousness and will, capital's need for the powers scientifically to control the movement of natural forces? The answer is given by Marx in a footnote to the chapter on 'Machinery and Large-Scale Industry' in *Capital*:

> Science, generally speaking, costs the capitalist nothing, a fact that by no means prevents him from exploiting it. 'Alien' science is incorporated by capital just as 'alien' labour is. But 'capitalist' appropriation and 'personal' appropriation, whether of science or of material wealth, are totally different things. Dr. Ure himself deplores the gross ignorance of mechanical science which exists among his beloved machinery-exploiting manufacturers, and Liebig can tell us about the astounding ignorance of chemistry displayed by English chemical manufacturers.[59]

Thus, it is not the capitalist who embodies the intellectual powers to develop the scientific knowledge presupposed by its objectified existence in a system of machinery. The science incorporated in the immediate production-process

57. Marx 1993, p. 693.
58. Marx 1976b, p. 1055.
59. Marx 1976a, p. 508.

is the result of the appropriation of the product of the intellectual labour of an 'other'. This 'other', whose productive activity the direct production-process of large-scale industry carries as a necessary mediation, is not explicitly present in Marx's exposition in *Capital*. There might be two reasons for this exclusion. First, because in Marx's time such a social subject was only beginning to develop. Second, and following from the previous point, because Marx's presentation in *Capital* is restricted to the transformations suffered by the productive subjectivity of those workers remaining in the direct production-process. However, what his whole discussion implicitly suggests is that among the transformations that large-scale industry brings about is the extension of material unity comprising its total labour-process outside the boundaries of the 'factory walls'.[60] Hence, the direct process of production becomes just an aspect of a broader labour-process which now entails two additional moments: the development of the power consciously to regulate in an objective and universal fashion the movement of natural forces – namely, science – and the application of that capacity in the practical organisation of the automatic system of machinery and whatever remains of direct labour – the technological application of science, including the consciousness of the unity of productive co-operation. Certainly, these other moments are also present in *Capital*.[61] However, Marx's presentation there seems to revolve around the emphasis on their separated mode of existence *vis-à-vis* the subjectivity of direct labourers and which is presupposed by their activity. By contrast, in the *Grundrisse* he oscillates between such an angle on the question[62] and one which puts at the forefront the underlying material unity of the total activity of living labour, where the development of science and its technological applications act as essential constitutive moments.[63] With the system of machinery:

> the entire production process appears as not subsumed under the direct skillfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process.[64]

60. In this analysis of the further determinations of the production-process of large-scale industry, I follow the approach developed in Iñigo Carrera 2003, pp. 1–37.

61. Marx 1976a, p. 549.

62. Marx 1993, pp. 692–4.

63. Dunayevskaya 1989, pp. 80–6, correctly notes the difference in presentation between the account of the system of machinery in the *Grundrisse* – where the emancipatory potentialities of the system of machinery are considered – and the one in *Capital* – where its determination as a materialised expression of the domination of dead over living labour is emphasised. However, she wrongly attributes that to a change in Marx's view on the subject instead of as an account of *qualitatively different* potentialities engendered by the very same development of the system of machinery and personified by the different partial organs of the collective labourer.

64. Marx 1993, p. 699.

The determinations presupposed by the production of relative surplus-value involve the specification of commodity-owners into capitalist and wage-labourer. Having discarded the former as the material subject of scientific labour, it is self-evident that only those determined as doubly free individuals can personify the development of this moment of the production-process of large-scale industry. Thus, although not explicitly addressed by Marx, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science, namely, by engendering a special partial organ of the collective labourer whose function is to advance in the conscious control of the movement of natural forces and its objectification in the form of ever more complex automatic systems of machinery. Whilst the system of machinery entails the progressive deskilling of those workers performing what remains of direct labour – to the point of emptying their labour of any content other than the mechanistic repetition of extremely simple tasks – it also entails the tendential *expansion* of the productive subjectivity of the members of the intellectual organ of the collective labourer. Capital requires from these workers ever more *complex* forms of labour.[65] As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker'. Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of the newly developed intellectual productive powers is inverted into a mode of existence of capital in its movement of self-valorisation as well.[66]

In this alienated form, capital thereby produces a material transformation whose fundamental significance exceeds the production of wage-labourers simply bearing different productive attributes. What is at stake here is, first and foremost, a radical substantial transformation of the very nature of human

65. The so-called 'deskilling thesis', formulated in the seminal work by Braverman (Braverman 1998) is obviously a one-sided reduction of this *two-fold* movement of degradation/expansion of the productive subjectivity of the collective labourer required by the system of machinery to one of its moments. See Iñigo Carrera 2003, p. 32. One of the immediate reasons behind such a unilateral account lies, as Tony Smith points out, in its very restricted definition of 'skill', very much referring to *manufacturing* skills. See Smith 2000, p. 39.

66. That is, the productive powers of science take an alienated form not just *vis-à-vis* manual labourers, who face them already objectified in the system of machinery. Intellectual labourers also confront the development of science they themselves personify as an alien power borne by the product of their social labour. Moreover, the alienated nature of this development of intellectual labour is even expressed in its general scientific form, that is, in its method. In its determination as a form of the reproduction of capital, scientific knowledge is bound to represent natural and social forms as self-subsistent entities or immediate affirmations, and their relations as inevitably external ones. For an elaboration of this point, see the chapter in this book by Iñigo Carrera. See also Iñigo Carrera 1992 and Starosta 2003.

labour.[67] The latter progressively ceases to consist in the direct application of labour-power onto the object of labour with the purpose of changing its form. It now increasingly becomes an activity aimed at the conscious control of the movement of natural forces in order to make *them* automatically act upon the object of labour and, in this way, to effect its change of form. According to Marx's exposition of the system of machinery in the *Grundrisse*, *it is in the contradictory historical unfolding of this specific material transformation of human productive subjectivity that the key to the absolute limit to capital resides*.

> To the degree that labour-time – the mere quantity of labour – is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production – of the creation of use-values – and is reduced both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination [*Gliederung*] in total production on the other side – a combination which appears as a natural fruit of social labour (although it is a historic product). *Capital thus works towards its own dissolution as the form dominating production.*[68]

To put it briefly, the issue here is the old question of the relation between intellectual and manual labour. More concretely, the fundamental point to grasp is the specifically capitalist form in which the antithetical movement of those two moments of living labour asserts itself with the development of the system of machinery. The revolutionary aspect of this historically-specific transformation of living labour in capitalist society is that both the scale and complexity of the production-process and, in particular, the increasingly scientific character of its organisation, make the subjectivity of the capitalist (the non-labourer) impotent to personify the now directly social labour under the rule of his or her capital. This means, in other words, that the development of the powers of intellectual labour and their exercise becomes an attribute of the 'labouring classes'.[69]

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67. Iñigo Carrera 2003, p. 11.
68. Marx 1993, p. 700, my emphasis.
69. On the superfluity of the capitalist, see especially Marx's concise comments in *Theories of Surplus Value* (Marx 1989a, p. 499). The complexity and scale of the co-operation of the collective worker of large-scale industry render the subjective powers of the capitalist impotent to personify in the name of his or her capital even the unproductive labour of superintendence of the productive organs of the former. All the functions of supervision, coercion and management come to be personified by a partial organ of the collective labourer. See Marx 1976a, p. 549; and Marx 1991b, pp. 510–1. The parasitic nature of the capitalist, though not yet of capital, thereby becomes increasingly concrete. And note that this expresses an alienated necessity of the accumulation of social capital itself:

The scientifically-expanded productive subjectivity of intellectual labour is, by its own nature, increasingly general or universal. The exertion of this form of human labour-power aims at the expansion of the conscious control over the *totality* of the forces of nature. Moreover, this subordination of the latter to the powers of living labour involves the comprehension of their *general* determination in order thereby to develop their *particular* technological applications in ever-evolving systems of machinery. Thus, as Marx puts it in *Capital* Volume III of in order to highlight its specificity *vis-à-vis* co-operative labour, scientific labour is, by definition, universal labour.[70]

With the constitution and permanent revolutionising of this organ of the collective labourer, capital thereby engenders *another* tendency for the production of workers bearing a universal productive subjectivity. However, this universality is no longer the *empty* universality deriving from the absolute *lack* of individual productive capacities to which direct labourers are condemned. When developed into its plenitude, it becomes the rich, concrete universality of organs of a collective subject who become increasingly able consciously to rule their life-process by virtue of their capacity to scientifically organise the production-process of any automatic system of machinery and, therefore, any form of social co-operation on the basis of large-scale industry. As the productive subjectivity of workers expands, it progressively ceases to be the case that the worker's individuality vanishes 'as an infinitesimal quantity in the face of the science, the gigantic natural forces, and the mass of social labour embodied in the system of machinery'.[71] For the latter *are* the direct products of the objectification of their productive subjectivity:

> Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production*, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been

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the consumption of the capitalist represents a deduction of the potential surplus-value that could be devoted to its self-expansion. Incidentally, the confusion over the parasitic nature of the capitalist and that of the capital-form as such underlies Negri's views of the present, 'Post-Fordist' forms of human co-operation as carrying in their immediacy – that is, without the mediation of more material transformations – the potentiality to explode the capital-relation. See Negri 1992, pp. 65–8, and Negri 1999, pp. 156–60.

70. Marx 1991b, p. 199.
71. Marx 1976a, p. 549.

> produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process.[72]

We saw how in *Capital* Marx focused on the 'negative side' of the effects of production of relative surplus-value through the system of machinery upon the material forms of the productive subjectivity of the working class. The historical emergence of the social necessity for the constitution of a 'fully-developed social individual' thus appeared as an abstract possibility, whose connection to capital's development of machine-based production seemed to be completely external. Conversely, we can appreciate now how in the *Grundrisse* Marx posits capital's relentless tendency to 'call to life all the powers of science and of nature, as of social combination and of social intercourse'[73] as necessarily engendering the historical becoming of that concrete universal subjectivity itself.

> No longer does the worker insert a modified natural thing [*Naturgegenstand*] as a middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production-process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth.[74]

Moreover, and here in accordance with *Capital*, he presents the latter as the one whose further expansion eventually clashes with its alienated capitalist social form and, therefore, as the material form of productive subjectivity that carries as an immediate potentiality the necessity for the 'creation of the new society'. Hence, Marx continues:

> The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labour of the few,* for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct, material production process is stripped of the form of penury and antithesis.[75]

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72. Marx 1993, p. 706.
73. Marx 1993, p. 706.
74. Marx 1993, p. 705.
75. Marx 1993, pp. 705–6.

It might seem that Marx is here substituting the intellectual labourer for the manual labourer as the revolutionary subject. However, the point is that the key does not consist in abstractly opposing intellectual and direct manual labour in order to privilege one over the other, but in grasping the contradictory forms in which capital historically develops these two necessary moments of the labour-process. Since Marx's exposition in the *Grundrisse* is only concerned with the *general* tendency and, more specifically, its historical result – that is, with the movement of 'bourgeois society in the long view and as a whole'[76] – he does not pay much attention to the contradictory forms in which the latter asserts itself. However, it is clear that in the historical unfolding of the tendency for the progressive objectification of all direct application of human labour-power onto the object of labour as an attribute of the machine, capital actually *reproduces and exacerbates* the separation between intellectual and manual labour.[77]

In effect, inasmuch as capital's conversion of the subjective expertise of the direct labourer (both intellectual and manual) into an objective power of the machine is not an instantaneous event but only done by degrees, every leap forward in the abolition of manual labour brought about by the revolution in the material forms of the process of production is realised by actually multiplying the spaces for the exploitation of manual living labour. In fact, the new technological forms themselves might generate as their own condition of existence the proliferation of a multitude of production-processes still subject to the manual intervention of the labourer, whether as an appendage of the machine, as a partial organ in a manufacturing division of labour or even in the form of 'domestic industry'. Thus, until the conditions for the (nearly) total elimination of manual labour are produced, direct labour as an appendage of the machine and/or the

76. Marx 1993, p. 712.

77. One of the central weaknesses of recent theories of 'immaterial labour' or 'cognitive capitalism', which heavily rely on the 'Fragment on machines', is their 'stageist' reading of that text. See, for example, Virno 2007; Lazzarato 1996; Vercellone 2007. In other words, those authors use those passages from the *Grundrisse* for a formalistic specification of a qualitatively different stage of capitalist development that is said to supersede not only large-scale industry but the real subsumption as well: the epoch of the 'general intellect'. Worse still, those theories unmediatedly – hence speculatively – apply the essential tendency and finished form described in the *Grundrisse* onto contemporary concrete forms of realisation that still represent its negation. The result is that they overlook or downplay the contradictory movement of expansion/degradation and universalisation/particularisation entailed by current material forms of the real subsumption. As we have seen, what the 'Fragment on machines' unfolds is not the abstract opposite of the determinations of the productive subjectivity of large-scale industry but their more concrete development. The significance of that undoubtedly essential text is therefore *systematic*. And, incidentally, so is that of the distinction between the three different forms of the real subsumption presented in *Capital* and that between formal and real subsumption. For a forceful case against the 'stageist' reading of those chapters of *Capital*, see Tomba 2007.

division of labour of manufacture tend to be reproduced under the new conditions and with even more degraded forms of productive subjectivity and harsher conditions of capitalist exploitation.[78]

Yet, it is certainly the case that this internal differentiation of the collective labourer on the basis of the respective forms of productive subjectivity is the self-negating form in which the *abolition* of that separation is realised in the historical process. Thus, through the very exacerbation of their separation, capital tendentially abolishes the qualitative and quantitative weight of manual labour in the process of the reproduction of social life, thereby converting the essential moment of living labour into an intellectual process. In this way, capital's transformation of the labour-process eventually reaches a point in which the separation between intellectual labour and what is now a quantitatively and qualitatively insignificant amount of manual labour, cannot materially obtain as a form of organising the life-process of humanity. The development of the material productive forces of society can only assert itself through the embodiment of the intellectual powers of social production in the individual subjectivity of every partial organ of the now directly social productive body. Moreover, this incorporation of the powers of the 'general intellect' into every individual worker must now have the form of objective social knowledge – namely, science – instead of being the product of the immediate subjective productive experience of the labourer (as was the case of independent handicraft-production). As we shall see below, it is the consciously organised political action of the *whole*

78. This is illustrated by Marx in section eight of the chapter on 'Machinery and large-scale industry' in *Capital*. There he shows how the production of relative surplus-value through the system of machinery reproduces modern manufacture, handicrafts and domestic industry. In this way, capital not only revolutionises the determinations of the social existence of those workers incorporated into large-scale industry but also of those of the sections of the working class still working under the division of labour in manufacture or domestic industry. The latter forms of the social production-process persist in their survival only through the imposition of the most brutal forms of the exploitation of the workers. However, Marx makes clear that the subsistence of manufacture and domestic industry is always provisional, even if it appears to hang on for long periods of time. The general tendency of capital is for the total development of large-scale industry. Moreover, Marx's discussion makes clear that the working class does not have to 'sit and wait' until the limit for the subsistence of manufacture is reached – a limit given by the extent to which the over-exploitation of labour-power compensates for its relative lower productivity of labour *vis-à-vis* large-scale industry. Inasmuch as the struggle for the shortening of the working day succeeds in forcing its implementation in the branches of production where manufacture persists, it accelerates the development of large-scale industry by not allowing the selling of labour-power below its value and, therefore, by reducing the capitalist limit to the introduction of machinery. Here we have a clear instance of the way in which progressive politics mediates revolutionary politics, the former being the concrete form of the development of the material determinations for the emergence of the latter.

working class – whatever its productive subjectivity – that is the necessary form in which this latter material transformation is realised.[79]

In its formally boundless movement of self-valorisation, capital therefore cannot stop in the historical production of universal productive subjects. At the same time, this constant revolution in the material forms of human productive subjectivity can only take place through the progressive socialisation of private labour, thereby positing the extension of the scope of the conscious regulation of directly social labour as an immediate necessity for capital's production of relative surplus-value. Thus, through the development of large-scale industry, capital works towards the historical emergence of the other precondition for 'really free working' as well:

> In the production process of large-scale industry . . . just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one side, so, on the other, is the labour of the individual in its direct presence posited as suspended individual, i.e., as social, labour. Thus the other basis of this *mode of production falls away*.[80]

On the two-fold basis of the expansion of the scientific productive powers of the 'social intellect' and of the determination of human labour as directly social, capital moves right towards reaching its absolute historical limit as a social form. This limit is not reached when capital-accumulation *ceases* to develop the material productive forces of society as, following Trotsky, orthodox Marxists would have it.[81] On the contrary, capital clashes with its limit when the very same alienated socialisation and scientific universalisation of the powers of human labour through the production of relative surplus-value begets, *as its own immanent necessity*, the development of the productive forces of society in a particular material form, namely: the fully conscious organisation of social labour as the *general* social relation regulating the reproduction of human life and, therefore,

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79. Besides, it goes without saying that, although the workers bearing an expanded productive subjectivity express the *movement towards* the development of a universal individuality, they do so within the limits of capital as an alienated social form. In other words, it is not the *immediate actuality* of the material forms of their productive subjectivity that constitutes the kind of 'rich and all-sided individuality' discussed by Marx (1993, p. 325), As much as they are workers with a degraded productive subjectivity, they not only have to change 'society' but also undergo a process of self-change in the course of the revolutionary process. Hence, *both* organs of the collective labourer have to 'get rid of the muck of ages' imposed by the determination of human subjectivity as a concrete form of the reproduction of relative surplus-value. More concretely, this entails the *transformation* of intellectual labour (that is, of the mode of scientific cognition or the kind of scientific method) and its *generalisation*. See note 66 above.

80. Marx 1993, p. 709.

81. Trotsky 2002, pp. 1–2.

as an attribute borne by every singular productive subjectivity comprising the collective labourer. Under those circumstances, the further leap forward in the material productive forces of society – dictated by the most immediate necessity of capital itself, that is, the production of relative surplus-value – comes into conflict with capitalist relations of production. Translated into our mode of expression, this classical Marxian insight can only mean the following: the *alienated* social necessity arises for the human being to be produced as a productive subject that is fully and objectively conscious of the social determinations of his/her individual powers and activity. Thus, he or she no longer sees society as an alien and hostile potency that dominates him/her. Instead, he or she consciously experiences the materiality of social life (that is, productive cooperation) as the necessary condition for the development of the plenitude of his or her individuality, and therefore consciously recognises the social necessity of the expenditure of his or her labour-power in organic association with the other producers. However, this form of human subjectivity necessarily collides with a social form (capital) that produces human beings as *private and independent individuals* who consequently see their general social interdependence and its historical development as an alien and hostile power borne by the product of social labour. The determination of the material forms of the labour-process as bearers of objectified social relations can no longer mediate the reproduction of human life. *Capital-accumulation must therefore come to an end and give way to the free association of individuals*:

> But with the suspension of the *immediate* character of living labour, as merely *individual*, or as general merely internally or merely externally, with the positing of the activity of individuals as immediately general or *social* activity, the objective moments of production are stripped of this form of alienation; they are thereby posited as property, as the organic social body within which the individuals reproduce themselves as individuals, but as social individuals. The conditions which allow them to exist in this way in the reproduction of their life, in their productive life's process, have been posited only by the historic economic process itself; both the objective and the subjective conditions, which are only the two distinct forms of the same conditions.[82]

Thus, it is the historically-determined necessity for the fully-developed and socialised universality of the productive subjectivity of the workers, beyond its capitalist 'integument' but *generated as an immanent determination of the alienated movement of capital itself*, that is realised in the concrete form of the communist revolution. This suggests that *the revolutionary political consciousness of the*

82. Marx 1993, p. 832.

working class can only be a concrete expression of their productive consciousness.[83] What the political action of the self-abolishing proletariat realises (its content) is, fundamentally, the transformation of the materiality of the productive forces of the human individual and, *therefore*, of their social forms of organisation and development. To put it differently, it is about a *material* mutation of the production-process of human life, which takes concrete shape through a transformation of its *social* forms which, in turn, expresses itself through a conscious *political* action, namely, a revolution. Thus, the issue here is not one of finding the external 'objective *conditions*' that trigger or facilitate the development of a self-determining political action, but of unfolding the inner or immanent material and social determinations of capital-transcending conscious practice. In other words, at stake here is the *content and form* of the necessity to abolish the capital-form.

To recapitulate, we can now appreciate the significance of the 'Fragment on machines' from the *Grundrisse*. Although clearly in an unsystematic fashion (after all, they are only research-manuscripts), that earlier version of the critique of political economy contains the elements for the systematic unfolding of the plenitude of the determinations that constitute the immanent *content* of capital-transcending transformative practice that *Capital* only partially achieves. However, it is actually the latter text that unfolds the necessity of its *form*, namely, the conscious political action of the whole working class. As we have seen, through the discussion of the factory-acts, Marx unfolds the determination of the political action of the working class as the necessary mediation, in the form of a consciously organised collective action, for the imposition of the *general* conscious regulation of social labour in the capitalist mode of production; that is, as a concrete form of the essentially *unconscious* – hence inverted – organisation of social life through the capital-form. But furthermore, we saw above that the struggle of wage-labourers as a class was also the necessary form in which social capital's need for workers with an increasingly universal productive subjectivity, resulting from the movement of the *real* subsumption in the form of large-scale

83. It also suggests that revolutionary action is an expression of an alienated subjectivity. In other words, the abolition of capital is not the product of an abstractly free, self-determining political action, but one that the workers are *compelled* to do as personifications of the alienated laws of movement of capital itself. See Iñigo Carrera 2003. What sets capital-transcending political action apart from capital-reproducing forms of the class-struggle is its specific determination as a collective action that is fully conscious of its own alienated nature, of personifying a necessity of social capital. However, by becoming conscious of their determination as a mode of existence of capital, revolutionary workers also discover the historic task that as fully conscious yet alienated individuals they have to undertake: the supersession of capital through the production of the communist organisation of social life. Revolutionary subjectivity therefore organises an alienated political action that in the course of its own development liberates itself from all trace of its alienated existence.

industry, asserted itself. True, in Marx's exposition in Chapter fifteen of *Capital* the class-struggle does not transcend its determination as a mediating moment of social capital's reproduction. This is because he does not unfold its immanent material content – the socialisation and universal development of human productive subjectivity – up to its absolute limit. But this is precisely what the *Grundrisse* do; that is, they do not unfold a *different* content but develop a more complex shape of that content itself. *A fortiori*, its concrete mode of realisation remains the same: the struggle of wage-labourers as a class. A struggle, however, that is no longer determined as form of capital's reproduction. As an expression of the plenitude of its content, the political action of wage-labourers now becomes determined as the mode of existence of capital-transcending human practice. Hence the general determination of the communist revolution: to be the political form taken by the historical production of the subjectivity of the 'rich individuality which is as all-sided in its production as in its consumption, and whose labour also therefore appears no longer as labour, but as the full development of activity itself'.[84]

Conclusions

This chapter has argued that, in their unity, the *Grundrisse* and *Capital* provide the elements for the scientific exposition of the determinations of capital leading to the social constitution of the revolutionary working class. This exposition must actually comprise the reproduction in thought of the concrete unity of *all* the determinations of social existence implied in the necessity for the abolition of capital, starting with its simplest form, namely, the commodity. However, for obvious reasons of space, the discussion centred on the specific form of capital that carries the necessity of its own supersession as an immediate potentiality. That form, this paper has argued, lies in the fully developed shape taken by the real subsumption of labour to capital: the system of machinery.

As we have seen, Marx's treatment of large-scale industry in *Capital* differs from the exposition he had initially formulated in his research-manuscripts known as the *Grundrisse*. This has led many scholars to see the two perspectives as somehow incompatible, maybe even reflecting a change of mind on the part of Marx, from an early optimistic view of the emancipatory potentialities of the forms of the real subsumption to a more pessimistic view of the latter as yet another expression of the despotic rule of dead over living labour. This paper has offered a different reading of this aspect of Marx's intellectual development. Whilst it is certainly true that Marx's exposition changed from the *Grundrisse* to

84. Marx 1993, p. 325.

Capital, this difference does not express two inconsistent views of the determinations of the productive subjectivity of large-scale industry. Rather, each text actually centres the exposition on the development of *one* of the *two essential contradictions* that characterise the most complex form of the real subsumption and whose development constitutes the immanent ground of revolutionary subjectivity. In *Capital*, the exposition focuses on the 'absolute contradiction'[85] between *particularity and universality* of the development of productive subjectivity, leading Marx to emphasise the material *degradation* of individuality of the wage-labourer of large-scale industry. By contrast, in the *Grundrisse* Marx focuses his attention on the development of the contradiction between the *intellectual and the manual* moments of the production-process under the rule of capital, leading him to unfold the tendency for the scientific *expansion* of the subjectivity of the doubly free labourer. Both contradictions are, however, two sides of the same coin: the alienated form in which human beings produce the materiality of their species-being at a certain stage of development and on the basis of specific historical presuppositions.[86]

> But it is an insipid notion to conceive of this merely *objective bond* as a spontaneous, natural attribute inherent in individuals and inseparable from their nature (in antithesis to their conscious knowing and willing). This bond is their product. It is a historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists *vis-à-vis* individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, on the basis of these conditions, to live it.[87]

As we have seen, this development does not only involve the *formal* inversion between subject and product of social labour but also the *material* mutilation of the productive individuality of wage-labourers. However, Marx was also clear about the *relative historical necessity* of those forms, if only as a *vanishing moment* in the world-historical process of development of the materiality of 'really free working' and, hence, in the production of the necessity of their own supersession.[88]

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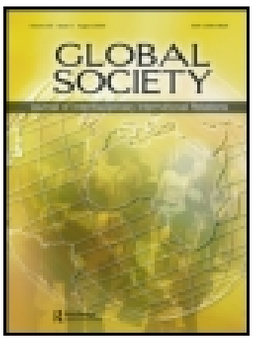
85. Marx 1976a, p. 617.

86. Those historic presuppositions entail a degree of development of the productive individuality of the human being historically attaining 'adequate classical form' in the form of the *freedom and independence* of the *isolated* individual labour of the peasant and the artisan, that is, on the basis of the *dissolution* of all relations of personal dependence. See Marx 1976a, p. 927, and Marx 1993, p. 156. The material specificity of capital, which it formally achieves in an alienated form, consists, precisely, in the socialisation of free but isolated labour. Marx 1976a, p. 927.

87. Marx 1993, p. 162.

88. Ibid.



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Towards a "Unified Field Theory" of Uneven Development: Human Productive Subjectivity, Capital and the International

GREIG CHARNOCK and GUIDO STAROSTA

This article puts labour, and its historically changing forms of existence, at the centre of the theorisation of uneven international development. It advocates a consciously dialectical approach that goes beyond significant limitations in historical-geographical materialism, and in the work of Neil Smith in particular. It argues, first, that geopolitical modes of explanation cannot be asserted on descriptive grounds, or in logical abstraction from the determinate content of social reproduction. It then argues that the critique of uneven development must focus on the material process Marx termed the "real subsumption of labour to capital" so as to analyse the transformation of the productive subjectivity of the international working class in contemporary capitalism. This transformation has today resulted in the contemporary form of a "new" international division of labour, the worldwide dynamics of which are mediated by a variety of specific national and regional forms of the capital accumulation process.

In *Global Society*, Vol. 29, No. 4, Sébastien Rioux mounts an incisive critique of international relations literatures that take Leon Trotsky's idea of "uneven and combined development" (U&CD) as the main conceptual prism through which to provide a critical, historical materialist explanation of "the international" and of worldwide socio-historical change.[1] Rioux's principal criticism is that U&CD theory takes for granted that which needs to be theorised, namely the question of "why and how capitalist development is uneven and combined"—a problem inherited from Trotsky himself who, as Rioux explains, only asserts the general law-like validity of U&CD on immediate, descriptive grounds. This, he argues, ultimately leaves us bereft of "the necessary theoretical development of categories and concepts that can account for the historically specific dynamics of social change by tracing back its logical connections to the *inner structural dynamics of development itself*".[2] In lacking such a substantive theorisation of uneven international

1. Sébastien Rioux, "Mind the (Theoretical) Gap: On the Poverty of International Relations Theorising of Uneven and Combined Development", *Global Society*, Vol. 28, No. 4 (2015), pp. 481–509. See also Sébastien Rioux, "The Collapse of 'the International Imagination': A Critique of the Transhistorical Approach to Uneven and Combined Development", *Research in Political Economy*, Vol. 30A (2015), pp. 85–112.

2. Rioux, "Mind the (Theoretical) Gap", *op. cit.*, p. 490, emphasis added.

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development on the basis of these specific dynamics, Rioux's arraignment against the U&CD literature finds it culpable of conflating "the *fact* of U&CD as a *theory* of U&CD".[3]

Our aim in this article is not to intervene in any debate between Rioux and U&CD theorists. Rather, we seek to depart from Rioux's own, more reconstructive suggestion that the key to finding a "unified field theory" of uneven development might lie in a set of "historical-geographical materialist" literatures that are largely ignored in international relations scholarship.[4] We note that while making this suggestion Rioux is keen to transcend the antinomy, or dualism, between the Marxian analysis of the "organic tendencies" of capitalist development on the one hand, and a transhistorical conception of inter-societal interaction, on the other. In this article, we therefore outline our own proposal for the development of a theory of uneven international development that might transcend the dualism between these two sociological and inter-societal "logics". Indeed, what we propose is a theory that seeks to avoid any kind of dualism, exteriority or "gap" in the theorisation of uneven development—including any dualism between theory, on the one hand, and the historical development of concrete "empirical" forms, on the other.[5] In other words, we seek to vindicate a consciously *dialectical* approach to the question of uneven development and the international that reproduces neither the crude empiricism of approaches that depart from—but do not go beyond—the immediacy of concrete phenomena, nor the application of a speculatively arrived at "framework" of concepts and categories—or a "model"—upon concrete reality (giving rise to the violence of abstraction characteristic of structuralist Marxism, for example). Rather, our approach acknowledges the dialectical unity of the content and form of concrete social phenomena, and on the basis of the recognition of the general determination of the process of social reproduction specifically in, what Marx termed, "bourgeois society". Accordingly, we will argue, much as Rioux appears to suggest is already established by historical-geographical materialism—and in the work of the late Neil Smith, in particular—that the key to providing something like a "unified field theory" of uneven development is dialectically rooted in the intrinsic, material unity between human beings and nature, and the socially mediated character of that unity (hence between productive forces, social relations of production, and their actualisation in and through the conscious practice of individuals).[6] In other words, we want to put *labour*, and its historically changing forms of existence, at the centre of the theorisation and analysis of uneven international development.

We therefore begin by summarising what we think is the more productive contribution to the theorisation of uneven development to be found in Smith's pioneering work, namely his insistence that uneven development is a *determined* outcome of "the production of nature", i.e. of socio-ecological metabolism under specifically capitalistic social relations.[7] Yet our actual intent in this first section is to revisit this

3. *Ibid.*, p. 508, emphasis added.

4. See Scott Kirsch, "Historical-Geographical Materialism", in Rob Kitchin and Nigel Thrift (eds.), *International Encyclopedia of Human Geography*, Vol. 5 (Oxford: Elsevier, 2009), pp. 163–168.

5. Guido Starosta and Gastón Caligaris, *Trabajo, valor y capital: de la critica marxiana de la economía política al capitalismo contemporáneo* (Bernal: Universidad Nacional de Quilmes, 2017), pp. 11–15.

6. See Karl Marx and Frederick Engels, *The German Ideology* (New York: International Publishers, 1970), p. 58.

7. We recognise that the term "determination", which we use throughout this article, will for some readers immediately smack of a vulgar economic functionalism in which a great many "superstructural" phenomena might be explained with recourse to a mechanistic, causal relation with the "economic

contribution in order to highlight what we think are deficiencies in historical-geographical materialism more generally, and which, ultimately, limit its ability to explain uneven development without also falling into a trap of relying on ungrounded, unexplained and indeterminate "laws" of capitalist development that derive from—and serve to reproduce—a dualism that is not so very different from that which Rioux seems to identify (in his own terms) as being so problematic in U&CD theory.

Our own contribution is therefore to build upon the "rational kernel" of Smith's production of nature thesis so as to advance a theory of world-historical social change and uneven development that is wholly grounded in the materiality of the "web of socio-ecological life", to borrow a term from Harvey,[8] but which can begin to explain contemporary dynamics of uneven development and inter-(and, indeed, intra-) societal relations without relying upon indeterminate, trans-historical "laws of unevenness". We argue in this first section that the key to arriving at a substantive, materialist theory of the international and of uneven development is to, first, recognise that one simply cannot assert the autonomy of "the political"—and therefore of geopolitical modes of explanation—on descriptive grounds or in "logical" abstraction from its determinate social content.[9] In short, we suggest, the international as composed of different national state forms is today part and parcel of capital's "second Nature", and therefore should be explained on the basis of its substantive content and what is really at stake in the general process and product of uneven international development (albeit in a highly mediated form), namely the transformation of human productive subjectivity (or, more simply, *labour*), and the changing forms of the global production of relative surplus-value as the historically specific, alienated form of that general process of transformation.[10]

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base". For us, however, the term is central to dialectical inquiry and the recognition that reality is contradictory, the movement of contradiction. "Contradiction" here means that every real form (whether "natural" or "social") realises its own qualitative determination by transforming itself into a more concrete form, that the process of determination is a process of becoming another, i.e. a movement of self-negation. This form of movement, or the "inner life", of the concrete object that we want to inquire after by means of thought, needs to be observed through its specific modes of existence and development. Marx's *Capital* does precisely this: it is the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence—i.e. the commodity. See Juan Iñigo Carrera, *Conocer el Capital hoy: Usar críticamente El Capital* (Buenos Aires: Imago Mundi, 2007).

8. David Harvey, "Notes Towards a Theory of Uneven Geographical Development", in *Spaces of Neoliberalization: Towards a Theory of Uneven Geographical Development* (Stuttgart: Franz Steiner Verlag, 2005), pp. 55–92.

9. Though not picked up on by Rioux in his critique of the U&CD literature, it is noteworthy that the latter pays scant attention to debates among historical materialist scholars from the 1970s and 1980s in which heavy criticism was heaped upon the notion of the (relative) autonomy of the political. In our view, Simon Clarke and others working in the "open Marxist tradition" succeeded in articulating the most cogent, non-dualistic theorisation of the determination of the national state form. See Simon Clarke (ed.), *The State Debate* (Basingstoke: Palgrave Macmillan, 1991); Werner Bonefeld, "Global Capital, National State, and the International", *Critique: Journal of Socialist Theory*, Vol. 36, No. 1 (2008), pp. 63–72.

10. The term "human productive subjectivity" denotes the power and capacity of the human individual to partake in the social metabolic process, that is, the conscious control over the social character of her individual labour. See Karl Marx, "Economic and Philosophical Manuscripts", in *Early Writings* (Harmondsworth: Penguin, 1975), pp. 279–400. In the capitalist mode of production, the productive attributes of individual workers include the strictly material or technical dimension of labour-power required by

The next dimension of our argument, then, is that in order to explain uneven development, and the outwardly manifest diversity of national "capitalisms", we must focus on the material process Marx termed the "real subsumption of labour to capital" and the transformation of the productive subjectivity of the international working class in contemporary capitalism. As we explain in section two of this article, this entails the recognition that the process of the production of relative surplus-value on a world scale leads to historically changing constellations of the international division of labour—much as Marx insisted was already a real tendency of the bourgeois mode of production and the system of large-scale industry as early as the 1840s.[11] More concretely, and as a contemporaneous manifestation of this more general foundation of the international, we argue in section three of the article that the global transformation of socio-ecological metabolism on the basis of the fragmentation of the productive subjectivity of the international working class has in recent years resulted in the contemporary form of a "new" international division of labour (NIDL). The inner, worldwide dynamics of this NIDL are mediated by a variety of specific national and regional forms of the capital accumulation process, such that each particular concrete national space of capital accumulation and societal reproduction bears its own empirically distinctive attributes in terms of institutional forms, labour markets, distributions of income and wealth, and, of course, competing ideologies and political cleavages.

On "the Production of Space, Scale and Nature under Capitalism" and the Limits to Smith's Theory of Uneven Development

In this first section, we pick up from where Rioux signs off in his *Global Society* article, and offer some initial grounds for a revitalised, unified theory of the international that is precisely grounded in the recognition that the reproduction of human life necessarily entails a metabolic relation with nature. For Rioux, the failure on the part of IR theorists to engage with Smith, as well as his fellow historical-geographical materialist David Harvey, is significant because they have already identified the necessity for a "unified field theory" that might explain worldwide socio-historical change. Smith and Harvey have also already gone some way towards explaining the uneven (and combined) development of a multiplicity of social and geopolitical forms on the basis of a materialist conception of the inner dynamics of capitalist development in historical time and space. Taking Rioux's cue, then, let us examine Smith's project to provide "a thorough spatial reconstruction of the concepts and categories pertaining to the capitalist mode of production" so as to begin to explain the international as we encounter it as being necessary and immanent to the reproduction of capital as the most general form of social

the particularity and complexity of the productive functions to be performed, as well as its "moral" attributes (that is, the general forms of consciousness and self-understandings that make those workers suitable for the specific forms of discipline that a certain organisation of the capitalist labour process entails). See Juan Iñigo Carrera, *El capital: razón histórica, sujeto revolucionario y conciencia* (Buenos Aires: Imago Mundi, 2013); and Guido Starosta, *Marx's* Capital*: Method and Revolutionary Subjectivity* (Leiden: Brill, 2016).

11. Karl Marx, *Wage-Labour and Capital & Value, Price and Profit* (New York: International Publishers, 1976), pp. 43–48. See also Paul Cammack, "Capitalist Development in the Twenty-First Century: States and Global Competitiveness", in Toby Carroll and Darryl S.L. Jarvis (eds.), *Asia after the Developmental State: Disembedding Autonomy* (Cambridge: Cambridge University Press, 2017), pp. 125–129.

reproduction *today*.[12] As Rioux suggests, this necessitates a return to question of "the production of space, scale and Nature under capitalism".[13]

In our view, Smith's lasting contribution is to the theorisation of the dialectical unity of nature and society, and to how "the spatial scales of capitalism" are re-*produced*—with all of their geographical and geopolitical "unevenness"—as a "corollary" of the historically specific (i.e. capitalistic) form of mediated socio-ecological metabolism on a world scale.[14] This has significant ramifications for how we ought to resist any lapse into conceiving of certain spatial scales in immutable terms:

> the geographical scales of human activity are not neutral "givens", not fixed universals of social experience, nor are they an arbitrary methodological or conceptual choice … Rather, scale should be seen as materially real frames of social action. As such, geographical scales are historically mutable and are the products of social activity, broadly speaking.
>
> … At the very least, different kinds of society produce different kinds of geographical scale for containing and enabling particular forms of social interaction. The medieval city is the locus of feudal commerce and simultaneously a place to be defended from external military attack, while the modern metropolis is much more the expression of an expansive capitalism premised on large-scale production, widespread financial, service and communication networks, and mass consumption.[15]

This specificity, Smith argues, holds true as much for the production of the national state as for other spatial scales of social interaction:

> With the internationalisation of commercial capital in the seventeenth and eighteenth centuries, the question of coordinating competitive and cooperative relationships between capitals became increasingly vital. The nationalisation of capital, simultaneous with and as part of the internationalisation of capital, was the solution that emerged historically … National capitals and their attendant political frameworks in the nation-state emerged as a vital geographical means for coordinating and arbitrating economic competition between capitals at the global scale. National capitals are in effect different "laws of value" in a wider global market, and they remain coherent to the extent that the nation-states devised for the purpose succeed in protecting the gamut of social, economic and cultural conditions that sustain individual national capitals. That is, the functions of the state which were in

12. Rioux, "Mind the (Theoretical) Gap", *op. cit.*, p. 499.

13. *Ibid.*, p. 498.

14. In *Uneven Development*, Smith confines his discussion of the spatial scales of capitalism to the urban, global and nation-state, although in later years he also discussed the household and the body; see Neil Smith, *Uneven Development: Nature, Capital and the Production of Space* (Athens: University of Georgia Press, 2008); Neil Smith, "Contours of a Spatialized Politics: Homeless Vehicles and the Production of Space", *Social Text*, No. 33 (1992), pp. 54–81.

15. Neil Smith, "Remaking Scale: Competition and Cooperation in Pre-National and Post-National Europe", in Neil Brenner, Bob Jessop, Martin Jones and Gordon McLeod (eds.), *State/Space: A Reader* (Oxford: Blackwell, 2003), p. 228.

> earlier times attached to lower spatial scales of territorial control—city states, duchies, kingdoms, etc—are, *with the advent of capitalism, reconstituted at the scale of the nation*.[16]

On what basis does Smith make these claims? His conception of what he very much saw as a dialectical, non-dualistic theory of the production of space and scale, in general, was first expounded in his now classic book *Uneven Development*, in which he challenged a basic notion of space inherent to traditional Western epistemologies and indeed common parlance—that of "space as field, as a container, or as simple emptiness".[17] Influenced by the French Marxist Henri Lefebvre, he argued that space is itself a social product, and, moreover, has become an active moment in the production and reproduction of a historically specific (i.e. capitalist) worldwide socio-ecological landscape: "By its actions", he insists, "this society no longer accepts space as a container, but produces it; we do not live, act and work 'in' space so much as by living, acting, and working we produce space".[18] As a corrective to traditional theory, then, Smith sought to advance a systematic, Marxian understanding of how capital produces and re-produces variegated socio-geographical space "in its own image"[19]—a result he termed "uneven development" or "uneven geographical development".[20]

For Smith, an essential preliminary step in the appreciation of how capital produces space at various inter-relational scales is to first examine the *production of nature* under capitalism. This, he underlines, is a reflexively critical endeavour since it must penetrate the "delusive appearance of things",[21] and must question a core tenet of traditional Western thought in which "nature is generally seen as precisely that which cannot be produced; it is the antithesis of human productive activity".[22] On the basis of a critical reading of the Frankfurt School theorist Alfred Schmidt, in particular, Smith emphasises the central importance of the concept of socio-ecological metabolism (*Stoffwechsel*) in Marx's own critique of political economy, the key materialist-dialectical point being that "the whole of nature is socially mediated and, inversely, society is mediated through nature as a component of the total reality".[23] Or, to put it simply, in the historically evolving process of the social-ecological metabolism upon which human reproduction is based, seemingly prior and external nature itself increasingly becomes a *product*.[24] Smith here picks up on Schmidt's heuristic and "useful distinction

16. *Ibid.*, pp. 229–230, emphasis added.

17. Smith, *Uneven Development*, p. 92.

18. *Ibid.*, p. 116. See also Henri Lefebvre, *The Production of Space* (Oxford: Blackwell, 1991).

19. As David Harvey puts it in "The Geopolitics of Capitalism", in Derek Gregory and John Urry (eds.), *Social Relations and Spatial Structures* (London: Macmillan, 1985), p. 150.

20. To this end, Smith was ultimately dismissive of the theoretical utility of both Trotsky and Lefebvre: see Neil Smith, "The Geography of Uneven Development", in Bill Dunn and Hugo Radice (eds.), *100 Years of Permanent Revolution: Results and Prospects* (London: Pluto, 2006), pp. 182–183; Neil Smith, "Antinomies of Space and Nature in Henri Lefebvre's *The Production of Space*", in Andrew Light and Jonathan M. Smith (eds.), *Philosophy and Geography II: The Production of Public Space* (Oxford: Rowman & Littlefield, 1998), pp. 49–70.

21. Smith, *Uneven Development*, *op. cit.*, p. 49, quoting Marx.

22. *Ibid.*, p. 32.

23. Alfred Schmidt, *The Concept of Nature in Marx* (London: NLB, 1971), p. 79.

24. This argument would certainly seem to be consistent with Rioux's other work on corporeality, insofar as it critiques the commonplace, abstract category of "the natural body" and foregrounds, instead, the material processes of the social reproduction of real bodies under circumstances that are

between 'first nature' and a 'second nature'", which he subsequently refashions in *Uneven Development* so as to claim that "we must now consider there to be a social priority of nature; nature is nothing but social", and that "instead of the domination of nature, therefore, we must consider the more complex process of the *production of nature*".[25] For Smith, the term "second nature" captures the result of the historical, worldwide generalisation of production for exchange characteristic of capitalism, and subsequently the result of the "real subsumption of nature to capital".[26] With the constitution of the capitalist world market, "nature is progressively produced from within and as part of the so-called second nature".[27] In search of profit, capital "attaches a price tag to everything it sees and from then on, it is this price tag which determines the fate of nature"; "no part of the earth's surface, the atmosphere, the oceans, the geological substratum, or the biological substratum are immune from transformation by capital".[28] Indeed, for Smith, such was the degree to which capital had subsumed nature in this manner that the distinction between first and second nature was, by the late twentieth century, practically obsolete.[29]

Smith's next step in his line of argument is unequivocal: "Unless space is conceptualised as a quite separate reality from nature, the production of space is a logical corollary of the production of nature".[30] For Smith, the produced spaces and scales of capitalistic second nature emerge out of an incessant "dialectic of equalisation and differentiation" of the development of capital's productive forces. As capital extends its reach over the whole globe, the socio-ecological landscape is subsumed within a process that consists of capital's price tagging of everything. Yet this landscape comprises myriad particularised spaces/places—at a variety of spatial scales, including that of the national state. The *relative* past, present and future development of these spaces is conditioned by specific degrees of the concentration and centralisation of capital, the agglomeration and socialisation of labour-power, and differing degrees of resilience to the perpetual rhythms of accumulation and geographical "see-saws" in the location of investment that periodically threaten the devaluation of geographically concentrated fixed capital and of relatively immobile working classes bearing particular productive and cost attributes.[31] As Smith explains,

> the drive toward universality in capitalism brings only a limited equalisation of levels and conditions of development. Capital produces distinct spatial scales—absolute spaces—within which the drive towards

historically specific to capitalism, and which therefore engender the particular attributes of the "*labouring* body". See Sébastien Rioux, "Embodied Contradictions: Capitalism, Social Reproduction and Body Formation", *Women's Studies International Forum*, Vol. 48 (January–February 2015), pp. 194–202.

25. Smith, *Uneven Development*, *op. cit.*, p. 33, pp. 47–48. Here, Smith is criticising the notion of the social domination of nature in Frankfurt School Critical Theory.

26. Neil Smith, "Nature as Accumulation Strategy", in Leo Panitch and Colin Leys (eds.), *Coming to Terms with Nature: Socialist Register, 2007* (London: Merlin Press, 2006), pp. 19–41.

27. Smith, *Uneven Development*, *op. cit.*, p. 77.

28. *Ibid.*, pp. 78–79.

29. To the degree that David Harvey affirms: "It is in practice, hard to see where 'society' begins and 'nature' ends … [I]n a fundamental sense, there is in the final analysis nothing unnatural about New York City", in David Harvey, "The Nature of Environment: Dialectics of Social and Environmental Change", in Ralph Miliband and Leo Panitch (eds.), *Real Problems, False Solutions: Socialist Register, 1993* (London: Merlin Press, 1993), pp. 28, 31.

30. Smith, *Uneven Development, op. cit.*, chapter 4, p. 92.

31. See also David Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982), chapter 12.

> equalisation is concentrated. But it can do this only by an acute differentiation and continued re-differentiation of relative space both within and between scales. The scales themselves are not fixed but develop (growing pangs and all) within the development of capitalism itself. They are not impervious; the urban and national scales are products of world capital and continue to be shaped by it. But the necessity of discrete scales and of their internal differentiation is fixed.[32]

"Uneven development", Smith concludes, "is the product and geographical premise of capitalist development".

This perceptive insight, we argue, ought to have significant methodological ramifications for the theorisation of the international, for if the appearance of "socio-political multiplicity" and of uneven international development as real spatial phenomena must be *explained* on the basis of their (re-)production as a moment of the real subsumption of nature to capital—that is, as *produced* spaces—then we ought to be prepared to accept the possibility that the international is less of an autonomous, autopoietic system than might be posited by means of some transhistorical logic or apprehended by an immediate empirical focus on geo-political rivalry and cooperation. We should, in other words, be prepared to include "the international" among those other categories—ground-rent, landed property and agriculture—that Marx accepted as being central to any scientific analysis of pre-capitalist society and economy, but which become subsumed within the production of nature and space in specific, practical ways. In short, their categorial relation should be established on the basis of their determination and reproduction under capitalism *specifically* rather than on the basis of historical precedence. To paraphrase Marx, "Capital is the all-dominating economic power of bourgeois society. It must form the starting-point as well as the finishing-point, and must be dealt with before [the international]".[33]

The recognition that this insight today applies as much to the political categories of the national state and the international system as it does to economic categories is common among certain Marxist literatures—for instance, among "state derivation" theorists, and the various scholars associated with "open Marxism"—but is at odds with orthodox IR and traditional epistemologies of the international.[34] We should also already add at this point that it would appear to be inconsistent with Neil Smith's own take on the remaking of state-space in "post-national Europe", from

32. *Ibid*., p. 196.

33. Karl Marx, *Grundrisse* (Harmondsworth: Penguin, 1973), p. 108. Marx goes on to say: " … It would therefore be unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another in modern bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historical position of the economic relations in the succession of different forms of society … Rather, their order within modern bourgeois society".

34. See, for example, Claudia von Braunmühl, "On the Analysis of the Bourgeois State within the World Market Context", in John Holloway and Sol Picciotto (eds.), *State and Capital: A Marxist Debate* (London: Edward Arnold, 1978), pp. 160–177; John Holloway, "Global Capital and National State", *Capital & Class*, Vol. 18, No. 1 (1994), pp. 23–49; Werner Bonefeld, "The Spectre of Globalization: On the Form and Content of the World Market", in Werner Bonefeld and Kosmas Psychopedis (eds.), *The Politics of Change: Globalization, Ideology and Critique* (Basingstoke: Palgrave, 2000), pp. 31–68; and Peter Burnham, "Marx, International Political Economy and Globalisation", *Capital & Class*, Vol. 25, No. 3 (2001), pp. 103–112.

which we quoted above, which also implicitly adheres to a methodologically nationalist epistemology and, in our view, fails to follow through the insight of his own production of space thesis into his conception of the contemporary national state form. Our contrasting methodological point here is made clear by Juan Iñigo Carrera, who explains how and why the world market historically results from the confluence of various national processes of capital accumulation, but, once this process is complete, the relationship becomes inverted and the world market becomes—both in a concrete and cognitive sense—"systematically prior" to its differentiation into national spheres in competition with one another which, through their antagonistic relationships as "hostile brothers",[35] *outwardly* mediate the unfolding of the essentially global *inner* determinations of the production of relative surplus-value on a planetary scale.[36] Whatever the "fact" of a multiplicity of national state spaces formally constituted under pre-capitalist or mercantilist phases of international economic integration, then, these spaces are *today* reproduced organically as both product and pre-condition of the essentially *global* accumulation of capital—that is, as "really subsumed" elements of capital's "second nature".[37]

As path breaking as Smith's argument was for its time, we think that there are further limitations to his theory of uneven development. Crucially, Smith works with a methodological approach that reinforces a dualistic rift between theory and history (ironically so, given the attention he gives to the unity of nature and society). For Smith, as with historical-geographical materialist scholarship more generally, theorising amounts to offering a mental construct, or "cognitive map",[38] that identifies general tendencies or "laws of motion" in abstraction (e.g. "the dialectic of equalisation and differentiation"), only to then attempt to extrinsically *apply* that construct or map to an otherwise self-subsisting concrete "reality" in order to try to come up with a framework offering a certain degree of explanatory power. The crux for us is that, in dialectical cognition, "theoretical categories" are not—in a Kantian dualistic fashion—a subjective way of ideally organising a

35. Karl Marx, *Theories of Surplus Value, Vol. II* (Moscow: Progress Publishers, 1968), p. 29.

36. Juan Iñigo Carrera, "The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals", in Greig Charnock and Guido Starosta (eds.), *The New International Division of Labour: Global Transformation and Uneven Development* (Basingstoke: Palgrave, 2016), p. 36.

37. Further textual evidence to demonstrate that this accords with Marx's own thinking might be found in chapter 31 of *Capital*, where he discusses the "colonial system" as a concrete form of the original accumulation of capital: it "proclaimed the making of profit as the ultimate and sole purpose of mankind" (Karl Marx, *Capital: Volume I* [Harmondsworth: Penguin, 1976], p. 918). That is, now profit-making becomes the content of the social process of humanity as a whole (i.e. the world market), and not just any particular national community. Space constraints do not allow us to elaborate on the precise nature of the process of transition this entails in different parts of the world, but we would broadly endorse the approach in Dale Tomich, "Rapporti sociali do produzione e mercato mondiale nel dibattito recente sulla transizione dal feudalesimo al capitalismo", *Studi Storici*, Vol. 21, No. 3 (1980), pp. 538–564.

38. David Harvey, *The Urban Experience* (Oxford: Blackwell, 1989), p. 2. We also think Castree's encapsulation of Harvey's theoretical project applies as much to Smith, insofar as "he acknowledges that while [theory] is indubitably *about* the world it is not, by definition, *coterminous with it*. … What this means is that while critique can be compelling *at the theoretical level*, it is found wanting when put to the test of conjunctural specifics"; Noel Castree, "The Detour of Critical Theory", in Noel Castree and Derek Gregory (eds.), *David Harvey: A Critical Reader* (Oxford: Blackwell, 2006), p. 260. In this respect, Derek Kerr's critique of a theory-history dualism in Harvey's work applies as much to Smith; see Derek Kerr, "The Theory of Rent: From Crossroads to the Magic Roundabout", *Capital & Class*, Vol. 20, No. 1 (1996), pp. 70–71.

given material content, but rather they are more abstract yet fully objective determinations of those more concrete "empirical" forms. This further explains our earlier injunction to heed Marx's methodological point about the determinate—rather than historical or logical—sequencing of the categories of critique.[39] Smith, on the other hand, is himself culpable of a dualism between theory and history. To the extent that he in particular conceives of unity of the world market, it is but the *contingent* result of the *in*determinate manner in which the tendencies of "equalisation and differentiation" unfold historically and concretely.[40] To the extent that he conceives of national states as mediating forms of worldwide capitalist development, they are but the contingent "resolution" of the *in*determinate manner in which the tendencies of "competition and cooperation" unfold historically and concretely within and beyond their demarcated boundaries.[41] In both cases, his "mapping" remains at the apparent level of the concrete forms in which the substantive immanent unity of the global movement of the total social capital—to which we return in more detail below—asserts itself outwardly through the antagonistic relationships among individual capitals (economically) and among national states (politically). That is, his work leaves significant questions unanswered regarding the development of an approach that can adequately conceive of the systematic mediations between abstract tendencies of the capital accumulation process and concrete empirical forms of the world market.[42]

In sum, we find that Smith's "cognitive mapping" leads him to overlook the determinate social content of uneven development. At one point in *Uneven Development*, he does discuss the "fate of human nature under capitalism", but only as an incidental *by-product* of the technical division of labour and the historical advance of the system of large-scale machinery.[43] Smith does not, in other words, identify the development of the material powers of the human being as a labouring subject—that is, of human productive subjectivity—as the *content* of the production of nature, the real subsumption of nature to capital, the historical development of the social and technical division of labour, and of the development of the productive forces under capitalism. And for this reason, he too leaves us bereft of a unified theory that is able to provide a systematic explanation of uneven international development that maintains the unity of not just nature and society but also theory and history. As we now explain in further detail, the key to finding such a theory still lies precisely in the "inner dynamics of development itself", as suggested by Rioux. But it entails the foregrounding of the recognition that the global accumulation of capital still rests upon the pursuit of relative surplus-value, and with it the transformation of the human productive subjectivity of the international working class.

39. John Bellamy Foster makes a broadly similar point in his "Marxism in the Anthropocene: Dialectical Rifts on the Left", *International Critical Thought*, Vol. 6, No. 3 (2016), p. 414.

40. See, for instance, Smith, "The Geography of Uneven Development", *op. cit.*, pp. 189–190.

41. See Smith, "Remaking Scale", *op. cit.*, pp. 228–229.

42. In *Uneven Development*, Smith falls back on orthodox Marxist ideas on the sources of uneven international development and "underdevelopment" (the likes of Samir Amin, Arghiri Emmanuel and Ernest Mandel), and only re-signifies them in light of his foregrounding of a dialectic of equalisation and differentiation. For a critique of this orthodoxy, see Juan Iñigo Carrera, "End Notes to 'The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals'", available: <https://www.academia.edu/24332230/End_Notes_to_The_general_rate_of_profit_and_its_realisation_in_the_differentiation_of_industrial_capitals_1> (accessed 7 October 2016).

43. Smith, *Uneven Development*, *op. cit.*, pp. 72–74.

The Global Accumulation of Capital and the "Inner Dynamics of Development Itself"

One of Marx's most potent scientific discoveries was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, "business" or "the bourgeoisie"). Rather, in its general determination as self-valorising value, capital is a materialised social relation between commodity-owners differentiated into social classes, which, in its fully developed form as the (global) *total social capital*, becomes inverted into the (alienated) subject of the process of social reproduction and its unitary expansion.[44] Thus, capital is essentially the movement of the self-expansion of the objectified general social relation between private and independent human beings, which, in the course of its own process, produces and reproduces the latter as members of antagonistic social classes.[45] All moments of the human life-process become inverted into material bearers of the life-cycle of capital, or, rather, they become forms assumed by the flow of value in its self-expanding circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus-value or the formally boundless quantitative progression of the general reified form of social-ecological metabolism.[46]

Although this content governs the movement of capital as a whole, as an alienated collective power the total (global) social capital is nonetheless the product of the private and independent form taken by social labour.[47] The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. More specifically, the concrete form in which individual capitals assert their class unity as "aliquot parts" of the total social capital is the process of formation of the general rate of profit.[48] This is the inner or essential determination of the general social relation between capitalist firms (or individual capitals). Competition between individual capitals operating in different branches of production within the international division of labour (IDL) has the result of equalising rates of profit in and across those branches, thus averaging out to form an average world market rate of profit.[49]

The antagonistic character of the class relation disrupts the fluidity of the total social capital's valorisation. The establishment of the general unity of social labour must therefore take shape through a further objectified form of social mediation, the state, which in bourgeois society confronts commodity-owners (the personifications of money-as-capital and of the commodity labour-power), as an apparently external power with the authority and capacity to establish the

44. Marx, *Capital: Volume I*, *op. cit.*, p. 763.

45. *Ibid.*, pp. 723–724; Karl Marx, *Capital: Volume II* (Harmondsworth: Penguin, 1992), p. 185.

46. Marx, *Capital: Volume I*, *op. cit.*, pp. 251–257.

47. The term "total social capital" is the usual English translation of what Marx variously terms "*gesamte gesellschaftliche Kapital*", "*gesellschaftlichen Gesamtkapitals*", or simply "*gesellschaftliche Kapitals*".

48. Karl Marx, *Capital: Volume III* (London: Penguin, 1981), pp. 298–300, 312.

49. Iñigo Carrera, "The General Rate of Profit", *op. cit.*; Bonefeld, "The Spectre of Globalization", *op. cit.*, p. 38.

overall direct regulation of their antagonistic social relations. The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital-form.[50] By virtue of this content, the state becomes the general political representative of the total social capital. In brief, capitalist social relations exist as differentiated economic forms (the autonomised movement of capital-commodities on the market) and political forms (class struggle and the state). The latter, far from enjoying "autonomy" (relative or otherwise), are the necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

Insofar as the law of value operates through the jurisdictional demarcation of the world market into multiple national spaces of valorisation, the unity of the global total social capital becomes self-differentiated into the circulation processes of distinct national total social capitals. In this way, the competition between individual capitals becomes politically mediated "by the direct relations that are established between distinct national states—that is, their 'international relations'".[51] The formation of the average world market rate of profit thus takes concrete shape through diverse geopolitical forms. However, this does not change the fact that the immanent content of both international economic relations between individual capitals and international political relations between national states remains the accumulation of capital on a world scale. Geopolitical competition in the "interstate system" is thus but a further mediated form in which, through their political representation by their respective states, the "multiplicity" of national total social capitals also assert their unity as aliquot parts of the global total social capital. Through all these complex mediations, the latter thereby affirms itself as the concrete alienated subject of socio-ecological metabolism through the exploitation of the international working class.[52]

This eminently unconscious and crisis-ridden social-ecological process gives rise to changing constellations of the international division of labour and, as a consequence, to evolving developmental potentialities for each national space that mediates the production of relative surplus-value by the total social capital across the globe. The territorial or spatial dimension of the capital accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as being determined by the conscious and autonomous political "strategies" of governments and state bureaucrats charged with directing the "national economy". Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics of the accumulation of the total social capital through the production of relative surplus-value, which are economically mediated (as opposed to determined) by

50. Marx, *Capital: Volume I*, *op. cit.*, p. 719ff.

51. Gastón Caligaris, "The Global Accumulation of Capital and Ground-Rent in 'Resource Rich' Countries", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, p. 58.

52. For further methodological clarification of the relation between the *global* total social capital and *national* total social capital, see *ibid.*, pp. 56–59.

relations of competition among individual capitals like transnational corporations (TNCs), on the one hand, and politically mediated by the policies of a multiplicity of national states on the other.[53]

The dynamic and changing character of international development is therefore a product of *these* "inner structural dynamics" of the accumulation of capital and the worldwide production of relative surplus-value in particular. Smith's insistence that "uneven development represents a forced yet contested, momentarily fixed yet always fluid resolution to [the] central contradiction [of equalisation and differentiation]" ultimately stops short of foregrounding the content of such dynamics, and thus leaves "geo-historical processes as they are 'really going on'" unexplained.[54] Where we advance beyond Smith, therefore, is in our own insistence that we need to return to the question of how the total global social capital—as the general reified form of social-ecological metabolism—looks to produce relative surplus-value *in concrete, historical forms*. The key to providing an answer to this question, and one which evades the dualism between theory and history, lies in the recognition that in its most developed form as large-scale industry, the production of relative surplus-value fundamentally entails the permanent revolution in the modes of exertion of the labour-power of individual workers and of their articulation as a directly collective productive body or organism.[55] *This* is the "permanent revolution" that lies at the heart of the changing historical forms of the international division of labour and its geopolitical manifestations, and which—when it forms the basis of the theorisation of "the international"—allows for the preservation in the very process of cognition itself of the unity of nature and society (i.e. the specificity of capitalism) as well as the unity of theory and history in the substantive explanation of the social totality and its changing forms.

The foundation of the uneven spatial differentiation of capitalism as a totality—whether manifest in the differentiation of conditions of development across and indeed *within* national borders—must therefore be searched for in the global, historical transformation of the material forms of the capitalist production process (and not, as Smith would leave it, in some indeterminate dynamic of equalisation and differentiation). To reiterate, the (global) total social capital's production of relative surplus-value through the transformation of the materiality of labour process, and hence of the productive subjectivity of the labourer herself, is the general content that is realised in the form of uneven development.

The Changing Forms of the New International Division of Labour and Uneven Development Today

Uneven development is the product of the total social capital's drive to enhance the production of relative surplus-value on a world scale through the development of

53. This crucial point about dialectical mediation is lost in dualist accounts of international politics that posit a "logical" separation between geopolitics and capitalist development – see, for instance, David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003). Furthermore, this points to how the crisis-ridden nature of capital accumulation intensifies geopolitical competition to the point of it taking the form of military rivalry between national total social capitals. Although this does not add anything to the *explanation* of the content of the determinations at stake, it does draw attention to its concrete forms and, in particular, to those that comprise the focus of many of the case studies chosen by the U&CD literature.

54. Smith, "The Geography of Uneven Development", *op. cit.*, pp. 190, 193.

55. Marx, *Capital: Volume I*, *op. cit.*, p. 617.

the productivity of labour. Today, this drive finds its most advanced expression in the computerisation and robotisation of large-scale industry. As a result of its own immanent tendencies, the contemporary form of the IDL represents a complex constellation that is the culmination of an evolving concrete historical process, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in what Marx alludes to as the "historical component" of the value of labour-power). Each country therefore *tends* to concentrate a certain type of labour-power of distinctive "material and moral" productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner.[56] Production in specific industrial branches since the 1950s, and more conspicuously since the 1970s, has thereby expanded in some countries while contracting in others where new and more advanced sectors have developed, following a rhythm determined by the evolution of technological changes and the relative cost and productive attributes of national labour forces.[57] The result of this historical process is the contemporary IDL, which is expressed of course in "socio-political multiplicity" and the immediate fact of uneven development.

Succinctly put, our argument is therefore that the essential general content that explains the unevenly developed character of the contemporary IDL, and which has been reproduced under its evolving historical configurations since the 1950s until the present time, consists in the international fragmentation of the productive subjectivity of the working class.[58] Our approach allows us not just to explain the existence of the international as comprising a multiplicity of distinct national forms of the organisation and reproduction of a material and essentially global process, but also to explain the changing forms of this IDL in world-historical terms.

An analysis of the materiality of the process through which the total social capital today organises socio-ecological metabolism in the form of large-scale industry reveals four divergent and ongoing tendencies in the development of the productive attributes of the global working class.[59] First, it expands the productive subjectivity of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of the immediate production process. Although not explicitly addressed by Marx in *Capital*, the benefit of historical hindsight makes it very easy for us to recognise how capital deals with its constant need for the development of the productive powers of science and for the conscious organisation of the increasingly social labour process, namely by engendering a special partial organ of the collective

56. Nicolas Grinberg and Guido Starosta, "The Limits of Studies in Comparative Development of East Asia and Latin America: The Case of Land Reform and Agrarian Policies", *Third World Quarterly*, Vol. 30, No. 4 (2009), pp. 771–772.

57. A process whose incipient stages were identified and (problematically) theorised by Folker Fröbel, Jürgen Heinrichs and Otto Kreye, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries* (Cambridge: Cambridge University Press, 1980).

58. Iñigo Carrera, *El capital*, *op. cit.*, pp. 53–90.

59. *Ibid.*; Guido Starosta, "Revisiting the New International Division of Labour Thesis", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, pp. 79–103.

labourer.[60] Capital requires from these workers ever more complex forms of labour. As much as those discussed in *Capital*, these are also "immediate effects of machine production on the worker".[61] Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of the newly developed intellectual productive powers is inverted into a mode of existence of capital in its movement of self-valorisation as well. Moreover, sooner or later many of these intellectual dimensions of living labour can also experience automation (or knowledge "codification") and therefore become relatively simplified. This latter aspect has been central to the more recent phases of the evolution of a "new" international division of labour (NIDL), which has therefore subsumed intellectual labour under its dynamics too.[62]

Secondly, the process tends to degrade the subjectivity of those workers that acquire and exercise their increasingly simpler manual or experienced-based productive attributes in the direct process of production. Indeed, large-scale industry is based on the objectification of tacit knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery.[63] In this sense, the tendency of the impact of the capitalist automation is certainly one of "deskilling" or "degradation" of direct production work through the objectification of formerly manual tasks as functions of machines. Yet the effect of increasing automation in recent decades has not only been one of deskilling. It has been mixed, also entailing a certain creation of new skills that are required by capital even from direct production workers. The key point, however, is that these newer skills have been of a different *kind* from those that have been eroded. While these latter skills tended to be based on the *particularistic* development of the productive subjectivity of wage-workers (both manual and intellectual) as a result of the practical experience of machining in the direct process of production, the newly created skills tend to revolve around the *universalistic* dimension of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process. For instance, the "microelectronics revolution" that is at the basis of the contemporary international division of labour has entailed not only the degradation of the particularistic dimension of direct production work but also the emergence and generalisation of so-called "soft" or "generic skills",[64] such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making.[65]

60. Starosta, *Marx's* Capital, *op. cit.*, pp. 233–288.

61. Marx, *Capital: Volume I*, *op. cit.*, p. 517.

62. See, for example, Tomás Friedenthal and Guido Starosta, "The New International Division of Labour in 'High-Tech' Production: The Genesis of Ireland's Boom in the 1990s", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, pp. 127–156. Today, such dynamics fascinate commentators on so-called "Industry 4.0" or the "fourth industrial revolution" more generally.

63. Ursula Huws (ed.), *The Transformation of Work in a Global Knowledge Economy: Towards a Conceptual Framework* (Leuven: HIVA-K. U. Leuven, 2006).

64. Monique Ramioul, "Organisational Change and the Demand of Skills", in Huws, *The Transformation of Work*, *op. cit.*, pp. 97–118.

65. Margherita Balconi, "Tacitness, Codification of Technological Knowledge and the Organisation of Industry", *Research Policy*, Vol. 31, No. 3 (2002), pp. 357–379.

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production,[66] they have recreated the conditions for the extended reproduction of what Marx called the "modern manufacturing division of labour", that is those non-mechanised tasks and labour processes acting as an "external department" of large-scale industry proper as the dominant form.[67] This tendency was fundamental for the initial stages of what scholarly debate labelled an NIDL from the late 1960s, and it remains the focus of continuing critical research on "commodity chains" and the labour process in, for instance, the global garment industry.[68]

Fourthly and lastly, the production of relative surplus-value through the system of machinery leads to the multiplication of the surplus population relative to the needs of the accumulation process, which also constitutes a transformation of productive subjectivity produced by the automation of large-scale industry.[69] More specifically, this tendency represents the most extreme case of material mutilation of the productive attributes of the working class resulting from capital accumulation, that is, not simply their degradation but the prospect of their outright non-reproduction. Yet it is from this tendency that the global pool of cheap but disciplined labour-power that has been central for the original constitution and evolution of an NIDL from the 1960s was eventually derived, and which today provides the lifeblood for "debtfarism" and the "poverty industry" in advanced as well as developing countries.[70]

In sum, the upshot of all these material transformations in the capitalist labour process has been an increase in the internal polarisation of the global collective labourer according to the type of productive attributes that its different members embody. As a concrete expression of the inner nature of the process of capital accumulation, these social processes have been global in content and national only in form. More specifically, this growing differentiation of the productive attributes of the collective labourer of large-scale industry has been at the basis of the emerging patterns of differentiation of national and indeed supra- and sub-national spaces of accumulation in the last four decades. In effect, based on these productive changes and the revolution in communication and transportation methods, capital has been increasingly able globally to disperse the different parts of the labour process according to the most profitable combinations of *relative* costs and productive attributes of the different national fragments of the worldwide labour force (through their impact upon labour productivity and unit labour costs). In empirical terms, this presents itself in the immediate fact of uneven international development.[71] It is also manifest in the internal regional and local differentiation of the conditions of the reproduction of labour-power *within* national spaces of accumulation,[72] as well as the formation of wider supranational or regional

66. Ludovico Alcorta, "Flexible Automation and Location of Production in Developing Countries", *The European Journal of Development Research*, Vol. 11, No. 1 (1999), p. 164.

67. Marx, *Capital: Volume I*, *op. cit.*, p. 588ff.

68. See, for example, Alessandra Mezzadri, *The Sweatshop Regime: Labouring Bodies, Exploitation and Garments Made in India* (Cambridge: Cambridge University Press, 2017).

69. Marx, *Capital: Volume I*, *op. cit.*, pp. 553–575.

70. Susanne Soederberg, *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population* (London: Routledge, 2014).

71. As detailed in Nicolas Grinberg, "From Miracle to Crisis and Back: The Political Economy of South Korean Long-Term Development", *Journal of Contemporary Asia*, Vol. 44, No. 4 (2014), pp. 720–721.

72. Which is to say that the divergence in the conditions of reproduction of the expanded and degraded organ of the collective labourer is now replicated *inside* advanced capitalist countries

spaces of valorisation whose constitution thereby required the mediation of the development of novel international juridical and political forms (e.g. the European Union). The economic and/or political integration of national spaces of accumulation into broader free trade areas, in competition with one another, has been yet another concrete form in which capital achieved the increased heterogeneity in the reproduction of the varied organs of the global collective labourer.

We would underline, however, that the historical emergence and expanded reproduction of this novel form of the IDL has not entirely wiped out its "old" or "classic" modality. In this, certain countries (for instance, most of the Southern Cone of Latin America and, paradigmatically, Argentina and Brazil), due to particularly favourable and non-reproducible natural conditions that enhance the productivity of labour, continue to participate in the planetary production of relative surplus-value through the provision of cheapened raw materials, staple foods or energy sources to the world market (hence directly or indirectly reducing the average value of labour-power of the international working class).[73] Moreover, the reproduction of this form of subsumption of these territories into the global circuits of accumulation is not simply based on the export of "natural-resource based" commodities. In effect, insofar as the latter are material bearers of ground-rent and are consumed overseas, this involves a continuous in-flow of extraordinary social wealth that constitutes a drain of the total surplus-value otherwise available for capital's appropriation, and which, *ceteris paribus*, would end up in the pockets of domestic landowners.[74] Capital was thus historically driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus-value, through the establishment of an "antagonistic association" with local landowners over the shared appropriation of ground-rent.[75] Thus, from originally being simply a source of cheap raw materials and means of subsistence, the qualitative specificity of those national spaces of valorisation has actually become determined as a source of ground-rent recovery for global capital.[76]

The reproduction of this modality of the accumulation process needs to be politically mediated by a wide array of state policies that intervene in the circulation of ground rent-bearing commodities in order to block the "spontaneous" course of ground-rent towards landowners and divert its flow towards capital. Thus, the transfer of ground-rent must be achieved through different policy mechanisms

themselves. This process is, of course, heavily mediated by gender, ethnicity, age and other intersectionalities. See, for example, the illustrative evidence in Alex Nunn, "The Production and Reproduction of Inequality in the UK in Times of Austerity", *British Politics*, Vol. 11, No. 4 (2016), pp. 469–487.

73. As Marx remarks in Volume I of *Capital* (*op. cit.*, pp. 579–580), the establishment of this "classic" modality of the IDL was determined by the production of relative surplus-value through the system of machinery of large-scale industry.

74. Juan Iñigo Carrera, *La renta de la tierra: Formas, fuentes y apropriación* (Buenos Aires: Imago Mundi, 2017).

75. Nicolas Grinberg and Guido Starosta, "From Global Capital Accumulation to Varieties of Centre-Leftism in South America: The Cases of Brazil and Argentina", in Susan J. Spronk and Jeffrey R. Webber (eds.), *Crisis and Contradiction: Marxist Perspectives on Latin America in the Global Political Economy* (Leiden: Brill, 2015), pp. 236–272.

76. For an explanation of the specific modality through which subsidiaries of TNCs operate within such countries, and how they valorise on the basis of the recovery of in-flows of surplus-value, see Alejandro Luis Fitzsimons and Guido Starosta, "Global Capital, Uneven Development and National Difference: Critical Reflections on the Specificity of Accumulation in Latin America", *Capital & Class*, Vol. 42, No. 1 (2018), pp. 109–131.

(overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which result in the establishment of specific domestic conditions for the circulation of capital within those national territories.[77] Consequently, its appropriation can only be done by capitals operating within those countries and whose circuit realises its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms.[78] Although this means that individual capitals cannot reach the scale needed for profitably utilising advanced technological conditions, they have compensated the resulting higher production costs with the appropriation of a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies.[79] This abundant extraordinary mass of social wealth has thus systematically complemented the surplus-value extracted from the domestic working class to the point of determining the very specificity, *with its inherently limited potentialities*, of the developmental trajectory in those national spaces. This, in other words, explains "underdevelopment" in Latin America, and on a basis that is entirely consistent with the "unified theory" of uneven development we outline above.

The emergence and development of the "new" IDL did not, therefore, entail the overcoming of the "classic" IDL. Both modalities actually coexist in the contemporary configuration of the world market, resulting in a more complex form through which the formal/material unity of the global accumulation process is achieved. This insight can explain the content that underlies the different types of regionalism that prevail in Latin America for instance (e.g. the Mercosur), and in a way that does not simply rely on a catch-all tendency to subsume the explanation of the existence of such regions within some abstract logic of geopolitical rivalry and cooperation. It is, in other words, another reason not to theorise "the international" as if political forms were autonomous from their economic content.

Conclusion

In a recent essay, Olaf Corry makes the case that the longstanding preoccupation with geopolitics among IR scholars of various theoretical bents has resulted in a commonplace tendency to assert an ontological distinction between nature (or the environment), on the one hand, and questions of "sovereignty, anarchy and balance of power" on the other—a separation he finds palpably untenable in an "Anthropocene age" in which we are all fast becoming aware of the mutually transformative (and destructive) dynamics of human behaviour and the Earth's ecology.[80] Corry suggests that "old materialism" might have something to offer IR scholars today insofar as "Marx put nature, and human interaction with it, right at the centre of historical social theory".[81] We agree, and have sought in

77. A detailed account of these policies and their role in transferring ground-rent to industrial capital can be found in Juan Iñigo Carrera, *La formación económica de la sociedad argentina. Volumen I, Renta agraria, ganancia industrial y deuda externa. 1882–2004* (Buenos Aires: Imago Mundi, 2007); and in Caligaris, "The Global Accumulation of Capital", *op. cit.*, pp. 66–70.

78. Grinberg and Starosta, "The Limits of Studies", *op. cit.*, p. 769ff.

79. Fitzsimons and Starosta, "Global Capital", *op. cit*.

80. Olaf Corry, "The Nature of International Relations: From Geopolitics to the Anthropocene", in Clara Eroukhmanoff and Matt Harker (eds.), *Reflections on the Posthuman in International Relations: The Anthropocene, Security and Ecology* (Bristol: E-International Relations, 2017), pp. 102–118.

81. *Ibid.*, p. 111.

this article to outline the basis for a unified—that is *dialectical*—theory of uneven development that resists any tendency to posit a dualist logic between humans and nature, or indeed between the "laws of motion" of capital and the international system. The key to this endeavour, we suggest, is to put the question of the transformation of human productive subjectivity —or, more simply, labour—at the heart of any cogent theory of the international and its uneven development. Unfortunately, while Rioux is right to suggest that Neil Smith has gone some way to uncovering the "inner dynamics of development itself", we have argued that Smith's explanation of uneven development on the basis of his theory of the production of nature, space and scale in capitalism falls short of foregrounding the underlying content of uneven development: the worldwide production of relative surplus-value and, with it, the transformation and fragmentation of the productive subjectivity of the international working class.

To persist in the pursuit of a theory of uneven development and the international that upholds the relative autonomy of geopolitical and sociological modes of explanation on the basis of an axiomatic "logical rule" is to foreclose the possibility of arriving at a socio-naturally-grounded theory that explains why and how the inner dynamics of (specifically) capitalist development are *necessarily* uneven, and why and how they are expressed through the reproduction in time and space of an international state system characterised by cooperation and conflict between geopolitical forms that mediate the global accumulation of capital. Our intervention goes some way, we hope, towards the elaboration of such a theory—one that foregrounds the analytical and political question of the transformation of human productive subjectivity. As a basis for future research and debate into the dynamics of uneven development, and their mediation by different national states, our intervention points towards further empirical investigation of the concrete forms in which the expansion and degradation of the productive subjectivity of the different organs of the collective labourer, as it springs from the global production of relative surplus-value, unfolds.

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No potential conflict of interest was reported by the authors.

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Article

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Global capital, uneven development and national difference: Critical reflections on the specificity of accumulation in Latin America

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Abstract

A recent Special Issue in this journal devoted its pages to discuss the varied forms of capitalist development in different countries and regions across the globe. Specifically, the contributions offered a critical assessment of the hegemonic 'neo-institutionalist' approach to the study of national diversity of capitalism, with particular focus on the 'varieties of capitalism' approach. This article critically engages with the different alternatives to the varieties of capitalism approach that were put forward and shows that these other perspectives also fall short of providing a convincing framework to address the problematique of national or regional particularities as posed in the debate. In order to offer a more solid explanation of the phenomenon of 'capitalist variety', the article draws upon Marx's fundamental insight into the determination of capital as a materialised social relation which becomes the immediate alienated subject of the organisation of the process of social life and also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades. More concretely, the article further submits that the specificity of the Latin American 'variety of capitalism' must be grounded in the constitution and dynamics of the

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international division of labour which results from the underlying essential unity of the production of relative surplus value on a world scale by the global total social capital. In other words, we grasp the emergence of national specificities as the immanent result of the global unfolding of the 'law of value'.

Keywords
global accumulation, Latin America, law of value, uneven development, varieties of capitalism

Introduction

A recent Special Issue in this journal devoted its pages to discuss the varied forms of capitalist development in different countries and regions across the globe. Specifically, the contributions to the Special Issue offered a critical assessment of the hegemonic 'neo-institutionalist' approach to the study of national diversity of capitalism, with particular focus on the 'varieties of capitalism' (hereafter, VoC) school (Hall & Soskice 2001), which is probably the most influential perspective within the broader 'comparative capitalisms' (CC) literature (Coates 2015: 14–16). The general conclusion agreed upon by most authors was that this approach suffers from several weaknesses for the purpose of a critical understanding of the undeniable national differences that exist in the global landscape of the capitalist mode of production. On the other hand, participants in the debate also tended to agree that there is a 'rational kernel' in the intellectual enterprise underpinning the VoC approach, which is the recognition that it is necessary to account for the self-evident differences in the contemporary forms taken by capitalism within each national or regional space of capital accumulation. However, disagreements emerged when it came to establishing the alternative approach that could offer a more solid explanation of the social processes underlying the phenomenon of national differentiation in the world market.

A further point made in the Capital & Class Special Issue was that although the original focus of the VoC perspective was on diversity in 'advanced' capitalist countries, it later broadened its analyses to incorporate research on other parts of the world (Ebenau 2015).[1] As a matter of fact, one of the central themes that cropped up in most articles in a specially devoted section on zones outside the 'core' of the capitalist world economy was the inability of the VoC framework (and also of the broader CC literature) to offer a solid account of the particularities of development in 'peripheral' or 'emergent' countries or regions. Moreover, most contributions also tended to agree on the fundamental reasons behind the failure of 'neo-institutional' perspectives to shed light on the nature and dynamics of the 'periphery'. In the first place, critics highlighted that the one-sided focus on *institutions* led the VoC approach to neglect the specifically *capitalist* character of those societies. Second, they also argued that it failed to shed light on the ways in which the global dimension of capitalist social relations shapes the structure and trajectory of those countries and regions of the world economy.

We fully concur both with this appraisal of the limitations of the neo-institutionalist approach to our understanding of the 'periphery' and with the main sources of those weaknesses that these critics of the VoC identified. However, we think that the radical

alternative frameworks advanced in the Special Issue, based as they were on different versions of dependency theory and on the increasingly popular uneven and combined development (U&CD) perspective, did not entirely succeed in overcoming those limitations of the VoC school to make sense of the specifically capitalist and global determinations underlying the constitution of the political economy of the so-called 'periphery'.

In this regard, the central aim and deliberately limited scope of this article is to intervene in this other 'derivative' debate, specifically focusing on the question of the 'variety of capitalism' prevailing in Latin America (which, incidentally, was one of the most widely discussed cases in the Special Issue).[2] Thus, while taking on board the consensus on the pitfalls of neo-institutionalism that emerged out of the Special Issue, we intend to push the discussion forward by critically engaging with the different alternatives to the VoC approach that were set forth and show that these other perspectives also fall short of providing a convincing framework to address the *problematique* of national or regional particularities as posed in the debate. In a nutshell, we argue that there are two main weaknesses in all those other approaches, which underlie their inability to offer a critical alternative to the understanding of the fundamental issue at stake. In the first place, despite their self-conscious effort to transcend the 'methodological nationalism' characterising the VoC perspective, they nonetheless fail firmly to ground the constitution of national or regional specificities in the essentially global dynamics of the capital accumulation process. Second, and relatedly, in all cases they more or less explicitly conceive of political forms of capitalist social relations, that is, class struggle and/or the state (and its policies) as somehow autonomous from the (alienated) economic content of this historically specific mode of existence of the human-life process: the self-movement of valorisation of value.

To overcome these shortcomings, this article offers an alternative approach that builds on innovative theoretical scholarship that has emerged in the last 20–25 years under the auspices of the Centre for Research as Practical Criticism (CICP), based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera (2007a, 2013). This work, which is only just recently beginning to appear in Anglophone literatures – in part, because it has been developed outside of formal academic structures and networks – represents a thorough re-examination of Marx's critique of political economy and its dialectical-methodical foundations (Iñigo Carrera 2006, 2014, 2015). While drawing upon Marx's fundamental insight into the determination of capital as a *materialised* social relation which becomes the immediate alienated subject of the organisation of the process of social life in its immanent unity, it also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades.[3]

Two insights from this reading of the Marxian critique of political economy are relevant for this purpose. First, we argue that the specificity of the Latin American 'variety of capitalism' must be grounded in the constitution and dynamics of the international division of labour which result from *the underlying essential unity of the production of relative surplus value on a world scale by the global total social capital* (Iñigo Carrera 2016b; Starosta 2016). In other words, we propose to grasp the emergence of national specificities as the immanent result of the global unfolding of the 'law of value'. Second, we submit that the qualitative form of capital accumulation in Latin America that has historically consolidated out of the global process of production of relative surplus value, and which is still being reproduced in the majority of countries in this region under the contemporary configuration of the international division of labour, revolves around the appropriation of

an extraordinary mass of social wealth flowing into those national spaces of valorisation under the form of ground-rent (Caligaris 2016; Iñigo Carrera 2006, 2007b).[4] It is this specific determination which underlies the economic and political forms that constitutes the Latin American 'variety of capitalism'. However, the article also notes that since the late-1950s, the planetary production of relative surplus value has constituted a new, *co-existing* constellation of the international division of labour, which revolves around the international fragmentation of the productive subjectivity of the global collective worker of capitalist large-scale industry (Iñigo Carrera 2013: 53–90). The constitution of this so-called New International Division of Labour (NIDL) has been at the basis of the different developmental path followed by East Asian countries since the 1960s (Starosta 2016). But, in addition, the changes in Mexico and Central America in the last 30 years indicate that the *qualitative specificity* of their respective developmental processes has actually 'converged' with that of (second-tier) East and South East Asian newly industrialised countries (NICs) and 'diverged' from that of South American countries. Strictly speaking, then, one can no longer speak of a *single Latin American* 'variety of capitalism'.

To substantiate all these arguments, the article is structured as follows. The next section briefly reviews the main lines of criticism of the VoC that were put forward in the symposium and then moves to a more detailed appraisal of the other approaches that were presented as theoretical alternatives to neo-institutionalism. Upon uncovering the weaknesses of these radical approaches for the development of a solid *explanation* of the constitution and dynamics of the qualitative specificity of the developmental process in Latin America (or, more broadly, in the 'periphery'), the third section unfolds our own alternative approach to global uneven development based on our reading of the Marxian critique of political economy. This will allow us to delineate in greater depth the constitution and particular features of national spaces of valorisation with specifically limited qualitative potentialities (e.g. most Latin American countries), out the dynamics of the essentially global process of production of relative surplus value. Finally, the final section illustrates the more concrete implications of this perspective with the examination of the recent trajectory of the automotive sector in Argentina. This will allow us to bring to light the peculiarities of the form of accumulation of capital revolving around the appropriation of a portion of ground-rent (in a country which is paradigmatic of this modality of accumulation) through the observation of the immediate empirical manifestations of this form of valorisation of capital (in a sector of social production which, in turn, is emblematic of the limited potentialities of the industrialisation process to which the former gives rise). In addition, this brief 'sectoral case study' will serve to highlight more starkly the shortcomings of many of the other radical approaches to the study of Latin America.

Beyond the VoC approach? The limits of alternative critical approaches to the specificity of capital accumulation in 'peripheral' regions

The radical perspectives brought together in the Special Issue of this journal point to several weaknesses in the VoC approach to Latin America. Most of the critiques focus on its neo-institutional foundations, although some of them mention concrete problematic issues concerning the analysis of Latin America by VoC scholars. In the first place, as

Coates (2014: 21–24) points out, even within the CC literature it is increasingly acknowledged that the VoC approach pays scarce attention to the determinations of that whose varieties it aim to explain, that is, capitalism as an economic system. In this sense, some scholars have argued that the excessive emphasis on institutions led the VoC approach to 'reify' the different institutional arrangements as the only causes of national variation (Fernández & Alfaro 2011: 71; Taylor 2014: 131). Coates (2014: 24–25), however, goes further in his critique and observes that it is not simply a matter of complementing institutional with economic analysis, but a question of bringing the laws and tendencies of capitalism back into the heart of the explanation of differentiated national development.

This point dovetails with a second line of criticism made by several participants in the Special Issue: the underlying 'methodological nationalism' which characterises the VoC framework and institutionalism more generally. A first aspect of this is that the VoC approach is overly focused on the nation-state as a regulatory institution, losing sight of the growing role of supranational structures of regulation, such as bilateral or regional trade agreements, which limit state capacities for autonomous policy formulation and making (Ebenau 2012: 213–214). Similarly and with specific reference to Latin American countries, it has been argued that the VoC approach one-sidedly reduces the explanation of the behaviour of TNCs' subsidiaries to a function of the national institutional framework in which they operate, thereby overlooking their contextualisation within the *global* strategies of TNCs (Ebenau 2012: 211–212). Still, the farther-reaching criticism centres on the undertheorisation of the global economy. In effect, as noted by Taylor (2014), the VoC approach conceives of the world economy as 'as an aggregate of distinct national models' (p. 132), which leads these scholars to overlook the (hierarchical) interconnections between the diverse economies which form the global structure of capitalism (see also Ebenau 2014; Hardy 2014; Jessop 2014).

Finally, most critics have also taken issue with the VoC approach's 'firm-centrism'. In effect, this excessive focus on the firm, which derives from a general framework initially devised for the comparative analysis of advanced countries, fails to capture the central role of the state in the organisation of capitalism in Latin America (Fernández & Alfaro 2011: 80–84; Sánchez-Ancochea 2009). In a similar vein, the VoC approach is usually blind to the part played by working class resistance to transnational corporations' (TNCs') strategies, especially in the Argentine case (Fishwick 2014). Still, we think that the more problematic issue with the VoC's firm-centrism raised by critics lies elsewhere and is essentially methodological: the one-sided explanation based on 'agency' at the expense of 'structure'. More concretely, the argument of these scholars go, VoC's virtually exclusive focus on business strategies and forms of corporate governance does not allow it to comprehend the functioning of capitalism as a broader set of 'institutions' (or rather, social relations) which actually shape those strategies (Jessop 2014: 49–54).

In sum, although most critics recognise the merits of the VoC approach for drawing scholarly attention to the importance of national or regional particularities in the world economy, they also tend to agree that at bottom, the key weakness of the approach is that in its efforts to bring variety to light, it has neglected (or, at least, downplayed) the capitalist character of those societies in which those varied institutions that constitute their specificity are found. As Coates (2014) eloquently puts it,

> We cannot move from understanding to explanation without completing the epistemological rupture with the new institutionalism; without going from idealism to materialism, and without going from Weber to Marx. (p. 25)

We could not agree more with this. Hence, in the rest of this section, we turn to the critical examination of the major alternative approaches to the study of 'peripheral societies' that were put forward in the Special Issue of Capital & Class, to assess the extent to which they live up to Coates' demand to 'move from understanding to explanation' in the study of the specificity of Latin America in the global political economy of capitalism.

In broad terms, the Special Issue contained three main alternative perspectives for the critical study of the specificity of capitalism in 'peripheral' regions. The first one is that of Weiss, whose main thrust revolves around the recovery of ideas from the monthly review dependency school centred in turn on Baran and Sweezy's concept of 'economic surplus'. According to Weiss (2014: 160), this latter concept allows us to avoid the reification of institutions' characteristic of the VoC approach (i.e. the divorce of institutions from the relations of production which constitute their 'historical context'). In this sense, this author argues that institutional variety is always limited by the structural necessity to search for profits that define capitalism as a mode of production (Weiss 2014: 158). Thus, it follows that this first line of argumentation actually consists in *downplaying* the importance of the phenomenon of capitalist diversity rather than offering an alternative account of it. In the second place, Weiss (2014) points out that the *content* of institutional difference is not given by the need to resolve coordination problems of collective action, as VoC scholars would have it, but by the result of the *class struggle over the distribution of the economic surplus* (p. 162). However, despite this alternative conceptualisation of the content of institutions, Weiss does not seem to offer any source of national or regional capitalist diversity other than *institutional variety* itself. Put differently, Weiss' proposal comes down to the explanation of national specificities in terms of the different outcomes of the *politically determined modes of distribution* of the 'economic surplus'. However, it is to be noted that according to this approach, those national specificities do not imply any qualitative difference in the *economic content itself of the valorisation and accumulation of capital*. Variety, Weiss (2014) concludes, is simply defined as 'the historically conditioned and socially contested utilisation of economic surplus' (p. 165).

In our view, this approach fails to achieve a complete break with the institutionalist paradigm for at least two reasons. In the first place, similarly to the VoC framework, it still locates the explanation of capitalist diversity in the institutional configuration of different countries or regions. In effect, institutions are the only social forms that 'vary': the modalities of the valorisation and accumulation of capital that constitute the general content of the capitalist mode of production remain essentially the same in all 'national societies'. In the second place, in confining variation to a distributive conflict over the 'surplus', this perspective necessarily conceives of variety as a *contingent* feature of national or regional spaces of valorisation of capital, since all 'structural' economic determinations of the latter are seen as invariant by definition.

Ebenau (2012, 2014) offered a further alternative to the VoC approach to the study of the specificity of 'peripheral' societies in the world market, which also draws from the tradition of dependency theory. However, in this case the main intellectual source is the

Latin American school of dependency theory and centres on Cardoso and Faletto's analysis of the impact of external factors (grounded in each country's form of insertion in the world economy) on domestic class relations (Ebenau 2012: 219). On this basis, Ebenau highlights that there are certain structural factors – which originate in the dynamics of 'central' or 'dominant' countries – that condition the class struggle in 'dependent' countries and, a fortiori, their national processes of capital accumulation. These factors include, among others, the specialisation of dependent economies in the export of primary products, the hegemonic role of TNCs in the leading sectors of the local productive structure and the subordination of national capitals to the strategies of TNCs.

Now, a first critical point to make against this recovery of Cardoso and Faletto's contribution is that this 'sociological' version of 'dependency theory' focused on the class struggle as the essential explanatory factor of the Latin American specificity had already been challenged within the same theoretical tradition by its so-called Marxist current, that is, that derived from Ruy Mauro Marini's (1978, 2008) work. Although Ebenau does refer in passing to the works of Marini (Arinci et al. 2015: 193; Ebenau 2014: 110), he does not seem sufficiently aware of the crucial differences that set the latter apart from Cardoso and Faletto's more widely acknowledged 'sociological' take on dependency theory. Fundamentally, Marini (1978) perceptively noted that the version of dependency theory that 'pays lip service to the class struggle […] will never allow us to understand *why* the working class in advanced capitalist countries has managed to unfold its struggle with better outcomes than that of dependent capitalist economies' (p. 71, *our translation*). The reason for this inability resides in the fact that this approach invokes the class struggle as a self-grounded 'deus ex machina' which 'allows to explain everything' (Marini 1978: 68). In contrast, Marini's (1978) alternative perspective consists in identifying the *reasons* that 'explain the class struggle', that is, it investigates 'the material conditions in which the class struggle takes place' (p. 68).

Moreover, Marini (2008) insightfully attempts to extend this essentially correct *immanent* nexus between *economic content* and *political forms* of the capital relation to the sphere of uneven international relations, thereby rejecting those 'politicist' explanations of national differences based on 'diplomatic and military pressure by industrialised nations' (pp. 119–120). Unfortunately, in this latter endeavour, Marini's own attempt at a Marxian explanation of global uneven development is not entirely successful. In effect, when accounting for the specificity of capital accumulation in Latin America, Marini conceives of the latter as residing in a particular, *nationally embedded* method of production of surplus-value based on the 'super-exploitation' of labour, which, in turn, emerges as an 'adaptation mechanism' through which dependent economies react to the outflows of surplus-value that result from the 'unequal exchange' relations that they establish in international circulation with advanced capitalist countries (Marini 1978: 172–179, 2008: 124–127). In other words, for Marini the production of surplus-value is an attribute of each 'national total social capital', with its specificity determined by the *dominant* (i.e. essential but not necessarily exclusive) mechanism of exploitation of the working class. Latin American 'total social capitals' develop their own nationally based methods of production of surplus-value (super-exploitation) as a 'functionally determined' consequence of the methods originally developed in advanced countries (technical progress). In contrast, we shall argue in the next section that the production of surplus-value is an

attribute of the *global total social capital*, whose *immanent unity or content* obtains at the level of the *world market*, but which becomes *self-differentiated* into qualitatively specific *national forms*. Thus, despite his valuable best efforts to ground the qualitative differentiation of the world market in the *economic* determinations of the unfolding of the 'law of value' on a *global* scale, even Marini ultimately *fails* to transcend the 'methodological nationalism' that characterises dependency theory as a whole.

In this sense, a common flaw of all versions of dependency theory lies in their conceptualisation of the essentially global unity of the process of capital accumulation. Specifically, in all cases, ranging from its different original formulations up to its contemporary revivals such as those in the Special Issue, dependency approaches ultimately explain the developmental course of each particular country in terms of the *interaction* between 'internal factors' and 'external constraints'. As we argue below, this approach cannot but represent the inner connection between global content and national form in its *apparent exteriority*. We shall come back to the general methodological limitation of this conception later on, when discussing the shortcomings of the U&CD approach. For the moment, let us examine its more concrete implications through a critical engagement with Ebenau's substantive argument on the limits to the recent 'centre-left' politico-economic experience in Argentina that started in 2003 and which has just come to an end in 2015 (a national instance of the broader so-called 'Pink Tide' that prevailed in many countries of the Southern Cone throughout that period).

According to Ebenau, this 'neo-developmentalist' project, which he identifies theoretically with the work of authors like Bresser-Pereira (2010) and Boschi and Gaitán (2009), and politically with the three 'Kirchnerist' administrations, clashed with two kinds of obstacle. The first one is the 'structurally problematic competitive position of Argentinian firms' in the context of the world market. As a result, these firms are unable to compete neither with China's (or even Brazil's) low wages nor with advanced countries' high productivity (Ebenau 2014: 109). In other words, and here Ebenau invokes a classic insight of dependency theory, it is quite simply impossible for all countries to attain 'autonomous development'. In effect, in the context of 'over-accumulation on a world scale […] the success of some producers will necessarily come at the cost of others, be they already established or aspiring competitors' (Ebenau 2014: 106). The successful progressive 'high road' to world market integration proposed by the neo-developmental political project is therefore highly improbable (if not quite simply impossible). In the second place, Ebenau also points to internal factors hindering autonomous national development. Fundamentally, Ebenau (2014) highlights the refusal of support to the strategy of 'industrial upgrading' by the domestic bourgeoisie (especially, the agrarian faction), who opted for a clear-cut strategy of 'dependent development' on the basis of a peripheral form of world market integration driven by the export of primary products (p. 110). Likewise, the project eventually failed to maintain the support of the workers' movement and other popular groups that it had enjoyed during its earlier years.

In our view, this empirical analysis replicates the more general theoretical shortcomings of the dependency approach mentioned above, and which derived from its conception of the world market as an externally related aggregate of national economies. Thus, it does not suffice simply to *empirically describe* the 'structural external constraints'

confronted by recent centre-left administrations in Latin America to comprehend their limited potentialities for social transformation. This leaves us unarmed to *explain* the *qualitative* form of participation of these countries in the global process of accumulation, which *underpins* the *immanent* impotence to challenge and overcome those apparently external factors which are seen as hindering 'from outside' the national development project. To put it in more concrete terms, this account fails to explain, for instance, why wages in Argentina are not as low as in other 'peripheral regions' or the productivity of labour lags so far behind that of 'developed' countries. It just takes those phenomena as given empirical 'facts'. Similarly, it does not suffice to indicate the subjective 'preferences' of bourgeois factions, who for some unexplained reason are depicted as inclined towards profiting from 'commodity rents' (Ebenau 2014: 110) instead of supporting the state-led industrialisation project.[5] A proper 'critical-materialist' account needs to explain *why* the Argentine bourgeoisie adopted this 'accumulation strategy', which, in turn, should be grounded in the globally determined forms taken by the capital accumulation process in this particular national space of valorization.[6]

Finally, let us now examine the third alternative approach to the understanding of national differences in global capitalism put forward in the Special Issue (Hardy 2014; Taylor 2014). In contrast to the previous two cases, it does not draw inspiration from any variant of dependency theory but from Trotsky's analysis of U&CD. In its original formulation in the *History of the Russian Revolution* (Trotsky 2008), this perspective attempted to grasp capitalist development in 'backward' countries on the basis of the 'combination' of 'archaic' elements from domestic relations of production with those assimilated from more advanced capitalist countries. In Trotsky's view, this allowed 'backward' countries to skip 'a whole series of intermediate stages' in their attempt at catching up with advanced countries. Yet, Hardy (2014) notes that

> although Trotsky argued that an understanding of the 'whip of external necessity' has to be rooted in the inner workings of capitalism explained by Marx's law of value, he did not offer an explanation of the drivers or causes of unevenness. (p. 145)

To complete this explanation, Hardy (2014) thus points to capital's 'essential contradiction between a constant tendency for differentiation rooted in the division of labour and the organisation of production, and the opposite tendency towards universalisation reflected in the tendency towards the equalisation of the rate of profit'. However, this explanation of unevenness generated by each firm's aim at realising extra profit that leads to 'technological and institutional change as well as contestation by workers' (Hardy 2014: 146) is still rather abstract and falls short of explaining 'the division of labour […] between countries'. In other words, as Hardy (2014: 146) remarks, 'this raises a key question regarding the theorisation of the relationship between national sate formations and the interdependence of the global market'.[7]

In order to address this further instance of U&CD, Hardy follows Barker's (2006) extended notion of 'combined development'. According to this view,

> 'national peculiarities […] are a product of the world system as it is inflected within each separate state', so that 'each country is […] shaped simultaneously by the development of social

> relations within its borders as well as by multiple forms of economic, political, military and cultural traffic across those same borders'. (Hardy, 2014: 148)

Thus, Hardy (2014) concludes 'the world economy and nation-states are not dichotomous entities', but are

> mutually constitutive in a process whereby nation-states are constrained and shaped by the parameters of accumulation processes in the global economy, but at the same time the strategies of states and capital reshape the accumulation processes in the global economy and forge a new set of parameters and dynamics. (pp. 148–149)

We find two main problems with the U&CD approach. In the first place, although it highlights the need to consider the 'world system' and the 'law of value' to understand national processes of accumulation, we think that the relations between them are ultimately represented in *external* terms. This is most evidently clear in Trotsky's 'classic' formulation, insofar as it conceives of national peculiarities on the basis of the 'combination' of given differences that had been generated by the universal law of unevenness and which *pre-exist* their articulation. Aware of this weakness, Hardy's reformulation proposes the inversion of the order between the 'uneven' and 'combined' aspects of capitalist development, that is, she relabels the theory as 'combined and uneven development'. However, in our view, this theoretical strategy does not suffice to eliminate the exteriority between the global and national dimensions of the unfolding of the law of value. In effect, we have seen that even in its revised version as C&UD, this approach still conceives of the relation between the global unity of the capital accumulation process and national differences as resulting from the *interaction* (or *mutual constitution*, in Hardy's words) of *elements* (i.e. 'world economy' and 'nation states'). And no matter how much two distinct elements influence, complement and transform each other through their interaction, they can only do so from an 'ontologically' prior and irreducibly self-contained existence. This point obviously has broader methodological underpinnings which exceed the scope of this article. But, as argued in great length elsewhere (Starosta 2015: 76–116), suffice it to note that this essentially 'Engelsian' view of dialectical relations as 'unity of opposites' still fails to capture the *movement of affirmation through self-negation* which constitutes the inner, immanent unity between the *content* and *form* of real phenomena. In contrast, we shall see below that the key question resides in explaining why and how the immanently global unity of capital accumulation (the content) becomes self-differentiated in national spaces of valorisation of qualitatively 'varied' kinds (the form), as it *subsumes* under its movement of formally boundless self-expansion the materially diverse determinations of different territories and human productive forces across the globe, thereby engendering historically changing constellations of the international division of labour.

This leads us to what we consider the second major weakness of the UC&D/CU&D approach to the study of 'peripheral societies'. In our view, and in a nutshell, this approach does not really constitute a theory proper but rather a *description* of the differentiated concrete forms taken by the establishment of the unity of capitalist development at the level of the world market (Rioux 2015). It thus still falls short of 'moving

from *understanding to explanation*' as demanded by Coates in the passage cited above. In other words, it is self-evident that there is 'unevenness' in the world market (e.g. that there are more or less 'advanced'/'backward' or 'rich'/'poor' countries) and that there also is 'combination' (i.e. that each country assimilates 'elements' that had their origin in another national territory). The question is to account for the *reason to be or ground* of those particular 'differences and combinations', whose 'amalgam' determines national variation according to this approach. In this sense, the first task that a proper 'theory of capitalist differentiation' should undertake is the identification of which are the differences that actually matter for the emergence of qualitatively specific potentialities in the diverse concrete national forms taken by the global accumulation process.

According to our own alternative to the VoC approach based on the Marxian critique of political economy, the key to the comprehension of relevant forms of national differentiation resides in focusing on the historical dynamics of the *production of relative surplus value by the global total social capital on a planetary scale*. And this requires that we elucidate which territorially embedded qualitative differences acquire 'world-historical' significance from the point of view of their participation in the global process of relative surplus-value production. More concretely, we argue that the explanation of uneven development cannot take as point of departure already constituted national differences (whether institutional or class-based) in their apparently irreducible *singularity*, in order to thence proceed to their 'classification' as a national or regional 'variety of capitalism'. Instead, it must attempt to account for the *specificity* of each territorially or jurisdictionally demarcated space of valorisation, as it emerges out of the configuration of the capital-determined international division of labour. In the next section, we elaborate further on this approach and flesh out its implications for the study of the Latin American 'variety of capitalism'.

Uneven global capital accumulation and the role of Latin America in the international division of labour[8]

The historical specificity of capitalist production derives from the private and independent form taken by human labour. In this form of the human-life process, the social character of labour is represented as an objective attribute of its product, namely, the value-form, which determines useful objects as commodities (Marx 1976: 132). Social relations thus take the alienated form of powers of the product of labour, and human beings become determined as personifications of those objectified forms of social mediation; in its simplest form, as 'representatives of […] commodities' (Marx 1976: 178–179).

This indirect form in which the unity of social labour is established is fully developed when it becomes capital. Subsumed under the capital-form, the production of surplus value – in short, the formally boundless quantitative progression of the reified 'social nexus' – becomes the content of social life (Marx 1976: 251–257). In this more concrete form as self-valorising value, the materialised social relation does not simply formally mediate the material life process of human beings, but actually becomes inverted into the very alienated subject of the process of social reproduction and its expansion *in its unity*:

the material metabolism of society takes the inverted form of the accumulation of the *total social capital* (Marx 1976: 763). In other words, in capitalist society the process of human metabolism is characterised by an automatism subject to laws, whose motion obviously takes shape through the conscious action of individuals, but whose general unity is unconsciously established 'behind theirs backs'. The 'law of value' is the succinct term that refers to the unity of the determinate forms of movement assumed by this alienated mode of existence of social life in all its concrete complexity.

In the process of renewal of the conditions for its self-valorisation, the total social capital produces and reproduces commodity owners as members of antagonistic social classes (Marx 1976: 723–724, 1978: 185). In its simplest determination, the class struggle is thus the most general *direct* social relation between collective personifications of commodities (thereby determined as a political form of social relations), which mediates the reproduction of the *indirect* relations of capitalist production through the generalised commodity form (thereby determined as the economic form of social relations; Iñigo Carrera 2013; Kicillof & Starosta 2007). Although a necessary form taken by the reproduction of the total social capital, the antagonistic character of the class relation disrupts the fluidity of the former's valorisation. The establishment of the general unity of social labour must therefore take shape through a further objectified form of social mediation, the state, which confronts commodity owners (the personifications of money-as-capital and of the commodity labour-power), as an apparently external power with the authority and capacity to establish the overall direct regulation of their antagonistic social relations (Iñigo Carrera 2012). The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital-form. That is, the state is the concrete form of the essentially indirect social relations through the valorisation of capital. By virtue of this content, the state becomes the *general political representative of the total social capital*. In brief, capitalist social relations exist as differentiated into economic forms (the autonomised movement of capital-commodities on the market) and political forms (class struggle and the state). The latter, far from enjoying 'autonomy' (relative or otherwise), are the necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

Now, as an expression of its inherently self-expansive nature, this fetishised social relation is global in content and national only in form (Clarke 2001; Iñigo Carrera 2013: 144–145; Marx 1973: 277–278). This means that it is the self-valorisation of value on a global scale, or global accumulation on the level of total social capital, that constitutes the immanent end in the world market (Smith 2006: 193). It follows from this that neither class antagonism nor its expression in the concrete form of state policies or 'domestic institutions' *determines* the modality and course of accumulation within each national space of valorisation. Instead, those nationally differentiated political and institutional forms mediate the unfolding of the underlying formal and material unity of the inherently contradictory dynamics of the accumulation of the total social capital at the

global scale. Moreover, the immanent content of these global dynamics is not one of 'imperialism' or 'dependency' (i.e. a *direct political relation* between states, another mediating *form*), but determined by the production of (relative) surplus value on a world scale.[9]

This eminently unconscious and crisis-ridden social process gives rise to changing constellations of the international division of labour and, as a consequence, to evolving developmental potentialities for each national space that mediates the production of relative surplus value by the total social capital across the globe. The latter is, in sum, the general economic content that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit 'behind the backs' of the antagonistic actions of the personifications involved (i.e. social classes and their diverse political organisations, political elites and/or state managers).

Now, as is recognised by virtually all accounts of the history of capitalist development in South America, and more broadly Latin America, the original subsumption of these territories to the global accumulation of capital was based on the production of agricultural (and/or mining) commodities for the world market (Furtado 1976; Marini 2008). As Marx (1976) remarks in *Capital*, the establishment of this 'classic' modality of the international division of labour was determined by the production of relative surplus through the system of machinery of large-scale industry (pp. 579–580). In effect, the exceptional natural conditions prevailing in many of these territories allowed for a greater productivity of agricultural or mining labour, thereby resulting in the cheapening of means of subsistence and a lower value of labour-power. However, this form of subsumption of Latin American territories into the global circuits of accumulation was ridden with a contradiction: if, on one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other hand, this was partly offset by the drain of surplus value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground-rent.[10] Moreover, to the extent that primary commodities produced in the region have been consumed overseas, ground-rent has constituted a continuous international *inflow* of social wealth.

Capital was thus driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus value, through the establishment of an 'antagonistic association' with local landowners over the appropriation of ground-rent. From being simply a source of cheap raw materials and means of subsistence, those territories also became determined as sources of ground-rent recovery for global industrial capital. The developmental trajectory of these countries has been determined by the historical course of this modality of capital accumulation, not only throughout the so-called agro-export stage but also during the so-called import substituting industrialisation (ISI) phase and, in South America, until contemporary times (Iñigo Carrera, 2013: 145–158).

As Caligaris (2016) points out, insofar as 'the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process', the total social capital's recovery of ground-rent 'must take shape, first of all, in the appropriation of ground-rent by the national total social capital of "resource rich" countries through its own national state' (p. 66). This political mediation has been necessary in order to block the 'spontaneous' course of ground-rent towards landowners

through a wide array of state policies that intervene in the circulation of ground rent–bearing commodities and divert its flow towards industrial capital.[11] Thus, the transfer of ground-rent has been achieved through different policy mechanisms (overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which resulted in the establishment of specific domestic conditions for the circulation of capital within those national territories.[12] Consequently, its appropriation could only be done by industrial capitals operating within those countries and whose circuit realised its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms (Grinberg & Starosta 2009: 769ff). Although this has meant that individual capitals could not reach the scale needed for profitably utilising advanced technological conditions, they have compensated the resulting higher production costs with the appropriation of a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies. This abundant extraordinary mass of social wealth has systematically complemented the surplus-value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces.

The modality of the accumulation of capital based on the appropriation of ground-rent in Latin American–protected markets has been very attractive for domestic capitals which, with the exception of those producing ground rent–bearing commodities, were not competitive enough to sustain their expanded reproduction by producing for the world market. But additionally and fundamentally, those markets have proved especially profitable for industrial capitals of foreign origin (i.e. TNCs), which established there from the mid-to-late-1950s onwards. Unlike the internationalisation strategy of TNCs in East Asia (the establishment of 'world market' factories, whether directly or through original equipment manufacturer (OEM) arrangements), foreign capitals in Latin America operated with the smaller scale that those domestic markets required and, given their protected nature, actually made possible. In this way, TNCs in Latin America managed to valorise obsolete fixed capital and accumulate without spending a portion of surplus value in the active development of the productive forces of social labour. However, the other side of this same coin is that the scale of Latin American processes of capital accumulation continued to be structurally dependent on the highly cyclical evolution of the magnitude of ground-rent available for appropriation (hence the widespread 'political and institutional instability' characterising many Latin American countries).

This also explains the noticeable lack of dynamism of capital accumulation in the region since the mid-to-late-1970s, which was momentarily and only partially reverted during the recent 'primary commodities boom' that seems to be just coming to an end:[13] in effect, the mass of ground-rent, especially of agrarian origin, has been, on average, growing at a slower pace than its requirement by industrial capital in Latin American national spaces of accumulation. As a consequence, the process of capital accumulation in the Latin American countries slowed down or entered into deep crisis. In this context, and in order to compensate for the slowly growing ground-rent in sustaining industrial capital's profitability, these national processes of capital accumulation have resorted to other sources of extraordinary social wealth such as the payment of labour-power below its value and the massive inflow of global fictitious capital in the form of mounting

foreign debts (the latter made available as a result of the expansion of international liquidity deriving from the long-standing crisis of global overproduction).

Now, since at least the late-1950s, the planetary production of relative surplus value by the total social capital has led to the emergence and gradual development and expansion of a novel configuration of the international division of labour, which has not simply displaced but co-exists alongside the 'classic' modality just sketched out. Premised on the concrete material forms taken by the further automation of the capitalist labour process and advances in means of transport and communication, the so-called NIDL has revolved around the *international fragmentation of the collective productive subjectivity of the working class* (Iñigo Carrera 2013: 66ff; Starosta 2016: 84–96). More specifically, the constitution of the NIDL has been the outcome of the transformation of the modes of existence of the global collective labourer brought about by the leap forward in the process of computerisation and robotisation of the production processes of *large-scale industry*, especially since the 'microelectronics revolution'.

Historically, the emergence of geographically dispersed 'chains of production of surplus-value' *started* with the relocation of simple manual labour processes while concentrating its increasingly more complex parts in advanced capitalist countries. This is the particular initial manifestation of the NIDL that Fröbel et al. (1980) rightly (though one-sidedly) captured in the late-1970s without being able to uncover its general content. Thus, the emergence of the NIDL has been originally guided by capital's search for not only relatively low wages but also domestic working classes whose specific productive attributes included the habituation to 'intensive, collective and disciplined labour' (Iñigo Carrera 2013: 66) under harsh conditions. However, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation that actively participates in the NIDL therefore tends to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. Note, additionally, that this point applies to intellectual labour as well. Insofar as the latter also becomes *relatively* simplified, the exploitation of the consequently less complex forms of intellectual labour-power can also be relocated to countries where capital finds those kinds of workers more cheaply and with a more compliant subjectivity, as the current literature on 'offshoring of innovation' and 'creative labour' illustrates (Ernst 2005; Huws 2014).[14]

Although this more recent global restructuring of the international of labour had its most emblematic expression in the 'late industrialisation' experience of East Asia since the 1960s (Grinberg 2016; Iñigo Carrera 2013: 66ff), it also had a profound impact in Latin America; paradigmatically in Mexico after the 'debt crisis' of the early-1980s and, more recently, in Central America and the Caribbean Basin.[15] Thus, despite the similar developmental trajectory of Mexico vis-à-vis Argentina and Brazil until the 1980s, in the past three decades the former country has transformed the specificity of its capital accumulation process. More concretely, it has become a source of relatively cheap and disciplined simple labour-power for industrial capital in general, which exploits it in the

material conditions (of scale and technology) needed for competitive world market production (whether directly in Mexico through the *maquilas* regime, or mediatedly through the international migration of workers into the United States). Hence, the contrast with Argentina and Brazil, where capital continued to find it more profitable to valorise on the basis of the appropriation of a portion of ground-rent, because the specific kind of labour-power it needed either was not there or was not cheap enough, and/or because the mass of ground-rent was large enough to offset the benefits of a 'structural transformation' in the other direction by providing the source of extraordinary social wealth sustaining those profitable protected domestic markets.

In sum, we think that this approach can help overcome the limitations inherent in the 'methodological nationalism' of other perspectives by providing a basis for the study of VoC both across and within regions, which is grounded in the intrinsically *global* nature of capital accumulation. In the next section, we sketch out a brief illustration of the usefulness of this approach through the discussion of the recent trajectory of the automotive industry in Argentina.

Capital accumulation through ground-rent appropriation: the case of the Argentine automotive industry[16]

Throughout its six decades of existence since the installation of the first *manufacturing* plants in the mid-1950s, the Argentine automotive industry has been characterised by its small scale, the use of internationally backward technology and the relatively low productivity of labour. In effect, even after the so-called 'restructuring' of the 1990s, when a wave of investment gave way to a recovery and expansion of the industry that allowed it to overcome the prolonged crisis of the 1970s and 1980s, the scale and productivity gap with respect to 'world market' norms remained on the same levels as it had been in the 1960s. What is more, due to the high levels of local fragmentation of capital in contrast with the strong global tendency towards its centralisation, the gap actually widened when considered at the level of individual plants. Yet, despite these persisting features in the productive structure of the industry, the main automotive TNCs have not only maintained their direct manufacturing operations in the country but also have actually obtained equal or even higher rates of profits than those existing in the sector at the global level (Pinazo 2015; Sourrouille 1980). This obviously connects with our previous argument about the existence of a specific extraordinary source of valorisation of industrial capital in South America, which allows its normal reproduction despite its uncompetitive material conditions.

As a matter of fact, the prevailing approaches to this issue in the specialised literature resonate with the discussion of 'dependentista' perspectives in the second section of this article (Ebenau 2012; Weiss 2014). On one hand, the more widespread 'sociological' perspective has focused on the oligopolistic and/or speculative behaviour of TNCs, which would have allowed them – together with state policies – to focus their valorisation strategy on the imposition of abnormally high prices, thereby perpetuating the inefficiency of the sector (Jenkins 1984; Nofal 1989; Sourrouille 1980). On the other hand, more 'radical' views – and in particular those related to the *Marxist* strand of dependency

theory – have placed greater emphasis on low domestic wages in relation to those in the more industrialised countries (Cimillo et al. 1973; Pinazo 2015). We think, however, that both analyses have focused only on the superficial manifestations of the valorisation of TNCs and have failed to identify the precise sources of social wealth which the latter appropriate *via* high prices and low wages.

Let us begin with the question of internal prices, which the vast majority of scholars tend to see as consistently higher than international ones, both before and after the 'restructuring' of the 1990s (Arza & López 2008; Jenkins 1984: 46; Llach et al. 1997; Sourrouille 1980: 81). Without disputing the veracity of this fact, it is often overlooked that throughout the history of the Argentine automotive industry, there has been sufficient solvent demand to validate domestic prices that were recurrently set above global prices of production. In other words, one must explain the sources of this exceptional purchasing power on the part of Argentine consumers relative to those of other countries. A first source of this higher solvent demand may be found in the specific market destination of automotive production. In effect, a part of the industry's output is absorbed as means of production and/or for the transport of agricultural commodities. And in order for agrarian capital to yield the normal rate of profit, the consequently greater costs incurred in the purchase of those dearer automotive means of production must be transferred 'upstream' towards the rent of the landowning class. Consequently, the social wealth that flows to TNCs via the sale of their product at commercial prices superior to those of production is, in the corresponding proportion, a part of the agrarian ground-rent whose appropriation determines the specificity of capital accumulation in Argentina. Furthermore, another share of the industry's output has been certainly destined for the luxury personal consumption of landowners. As is evident, the source of this purchasing power is also ground-rent.

But agrarian ground-rent also generated growing demand for automotive vehicles in general (and not only for those directly consumed by agrarian capital and landowners). It did so because one of the normal courses followed by agrarian ground-rent in Argentina has been its primary appropriation by the national state through the mechanisms mentioned in the previous section (e.g. high export and import taxes) and its subsequent conversion into public spending.[17] In this way, agrarian rent augmented the demand for industrial commodities in general, including of course that for the automotive industry. Consequently, the overpricing of vehicles destined for general domestic consumption (including some sectors of the working class) was also sustained, in the corresponding part, by agrarian ground-rent.

Thus, the existence of ground-rent was, directly or with the mediation of state policies, a source of growing demand for automotive vehicles. This explains the setting of domestic sale prices above international prices of production. Without this extraordinary source of social wealth that validated those relatively high prices, the fixing of protectionist measures – at the national or regional level – would simply have contracted the consumption of vehicles, instead of expanding it as happened in Argentina in every one of the expansive phases of the industry.

As mentioned above, the second main response offered in the literature to the question of the sources of the valorisation of automotive capital in Argentina is linked to the payment of internationally low wages. Usually, the 'advantage' derived from the hiring of

cheap labour-power is interpreted simply as a reduction in costs (Barbero & Motta 2007; Santarcángelo & Perrone 2012), without identifying the reasons for the existing wage levels nor, furthermore, the source of the 'advantage' in question. Dependency theory, for its part, just asserts that this amounts to the 'over-exploitation' of labour-power; that is, that the *specific* source of profit in the 'periphery' lies in the 'abnormal' modality of extraction of surplus labour from workers (i.e. the sustained payment of labour-power below its value) *vis-à-vis* the forms of exploitation prevailing in 'advanced' countries (Cimillo et al. 1973: 55–56, 95–97; Pinazo 2015: 151–153; see also Marini 1979 for the Brazilian case). We think, however, that the question of the conditions of the purchase and exploitation of labour-power deserves a deeper analysis.

The crucial point in this regard is that the existence of lower wages does not necessarily involve a greater exploitation of labour-power. If we rule out the possibility that reduced wages could be attributable to a lower value of labour-power, which seems unlikely at least in Argentina, it must be noted that they could be explained either by a reduction in the number of use-values consumed by wage-workers or by the cheapening of 'wage-goods'. However, only the former case would be an instance of the purchase of labour-power below its value or, in 'dependentista' parlance, of 'over-exploitation'. In order to clarify which of these two possible situations has tended to prevail in Argentina, it is necessary to make a comparative analysis of both money-wages and consumption levels of Argentine automotive workers.

Now, there is no doubt that money-wages of Argentine autoworkers have been consistently lower than those prevailing in the United States, which could be taken as an indicator of *normal* wage levels for these relatively skilled workers at a global scale (i.e. those corresponding, on average, to the full value of this type of labour-power).[18] In effect, in monetary terms, the Argentine automotive wage has been less than a third of its US counterpart between 1960 and 2013 (at purchasing power parity exchange rates). This means that to put an automotive worker into production, TNCs must disburse as much as three times less variable capital than they would have to if they had to hire labour-power in the socially normal conditions of exploitation of labour-power prevailing at the global level. Nevertheless, the comparison of *real* wages shows that the Argentine automotive worker was capable of consuming almost two-thirds of the levels of consumption reached by a US worker. In other words, the Argentine worker's ability to consume was much closer to that of the American's than is indicated by the value of her or his wage. The explanation for this situation resides in the domestic prices of wage goods for the working class. In effect, within the Argentine space of capital accumulation, agrarian commodities circulate more cheaply than in the world market. Given that the domestic sale of these commodities below their normal price of production is only possible because of the existence of agrarian ground-rent, the cheapening of labour-power constitutes a vehicle for the appropriation of this rent by industrial capital and, in our case, by automotive capital. In brief, the process of appropriation of ground-rent by industrial capital explains to large extent the relative cheapness of labour-power in Argentina. Note, in this sense, that this cheapness does not derive from the 'historical and moral' element of the value of labour-power of national fragments of the global working class, which had formed a *latent relative surplus population* composed of formerly free peasants who were nonetheless subordinated to a centrally and hierarchically

structured tributary system of exploitation (Iñigo Carrera 2013: 66), as happened in Korea and other East Asian countries (Grinberg 2016).

To conclude, the preceding analysis shows that the fundamental basis for the valorisation of industrial capital in Argentina has been the appropriation of a portion of the agrarian ground-rent that flowed into the country, both through the purchase of cheapened labour-power and through selling at prices that have been set above those of production. In this way, automotive TNCs have compensated for the backward technical conditions in which they have operated. In this context, other sources of extraordinary profits that did exist, such as the 'over-exploitation' of workers highlighted by Marxist 'dependentistas', acted as *secondary* or *complementary* forms of compensation for those backward material conditions of valorisation, rather than as the essential defining determination of the specific modality of accumulation of automotive capital in Argentina.

Conclusion

In a nutshell, our overview and appraisal of the various critical approaches presented in the Capital & Class Special Issue on 'capitalist diversity' allow to draw the conclusion that regardless of the undeniable theoretico-political differences among them, they nonetheless share a two-fold common ground. On one hand, they conceive of *political forms* (antagonistic class relations, the nation-state and public policies, international relations between states) as involving, to a lesser or greater extent, an element of autonomy with regard to the *economic content* of the accumulation of capital. On the other hand, and analogously, they tend to conceive of the configuration and developmental potentialities of *national* spaces of valorisation as involving at least some degree autonomy from the *global* dynamics of the 'law of value'.

In contrast, we think that to fully transcend the shortcomings of the neo-institutional VoC-CC literature rightly and accurately identified by the 'critical political economy' frameworks discussed above, it is necessary to leave behind the aforementioned two-fold notion of autonomy that implicitly or explicitly informs those perspectives. And this means taking the *immanent unity* of the capitalist world market as the starting point of the investigation and, as a consequence, grasping changing patterns of national or regional differentiation as concrete forms that mediate the unfolding of the contradictory dynamics of the essentially global production of relative surplus value by the total social capital. In turn, the specific political forms prevailing in each country are thus revealed as expressions of the movement of the economic forms taken by global capital accumulation in each national space of valorisation. In our view, these two insights are grounded in one of the most potent scientific discoveries of Marx's critique of political economy, namely, that capital is neither simply a thing (for example, the instruments of production) nor a productive unit or legal entity (such as a firm), or a social grouping sharing common characteristics and interests (e.g. 'business' or 'the bourgeoisie'). In its general determination as self-valorising value, capital becomes 'the all-dominating economic power of bourgeois society' (Marx 1973: 107), whose 'substratum' is the 'world market […] in which production is posited as a totality together with all of its moments' (p. 227).

Notes

1. See Schneider (2009) and Schneider and Soskice (2009) for an influential account of Latin America from the VoC perspective.
2. However, we believe that the implications of our discussion are more general and can be applied to other regions of the 'periphery' of the world market.
3. In particular, these issues have been examined with greater detail in an edited collection of essays which provides both an elaboration of the general theoretical underpinnings of this approach and various empirical 'case studies' at country and industry levels (Charnock & Starosta 2016).
4. For a comprehensive critical review of the Marxist literature on ground-rent, see Caligaris (2014). Although the issue of ground-rent has been widely discussed within Marxism, its connection with the specificity of capital accumulation in Latin America has not been as broadly addressed.
5. As a matter of fact, we think that it is actually misleading to depict 'Kirchnerism' as a political regime that incarnated the attempt to undertake a project of 'autonomous national development' that could have overcome the Argentina's 'dependent or peripheral' status, but which 'lamentably' clashed with both external structural limits and the insurmountable resistance of the local bourgeoisie on the domestic front. In our view, 'Kirchnerism' was the political and ideological form that, far from constituting the attempt to change the form taken by Argentina's 'integration into the world market', personified the expanded reproduction of this specific modality of the valorisation of capital throughout a prosperous phase based on an unprecedented upsurge of agrarian ground-rent, which was, in turn, the outcome of the course taken by the global process of accumulation. For a more detailed discussion of the nature and potentialities of 'Kirchnerism' and a comparative analysis with the Brazilian experience, see Grinberg and Starosta (2014).
6. We address some of the determinations involved in the third section of this article below.
7. Incidentally, in this more general analysis of the contradictory tendencies for uneven development inherent in capital accumulation, Hardy relies heavily on Neil Smith's (2008) 'dialectic of equalisation and differentiation'. Although based on an interesting and quite rigorous close reading of *Capital*, Smith's discussion remains at a rather abstract level of abstraction and so it is not very useful to make sense of the historically changing configurations of the international division of labour, as Hardy herself notes in the passage quoted above. In fact, in the occasional and usually brief remarks through which he does venture into more concrete territory, Smith (2008) tends to rely on long-standing Marxist ideas on the sources of uneven development (Amin, Emmanuel, Mandel) and only resignifies them in light of his dialectic of equalisation and differentiation (pp. 187–189, 290). For a critique of theories of unequal exchange based on the approach developed in this article, see Iñigo Carrera (2016a).
8. The first part of this section draws partly on Grinberg and Starosta (2014). Further elaboration of the arguments can be found in the essays collected in Charnock and Starosta (2016).
9. For a similar argument from a different perspective, see Burnham (1994) and Howe (1981).
10. Ground-rent is surplus-value potentially appropriated by landowners due to their differential and absolute *monopoly* over non-reproducible natural conditions of production that, respectively, increase labour productivity in the primary sector or allow production altogether (Iñigo Carrera 2007b: 11–14; Marx 1981: 779–823, 882–907).
11. As Caligaris (2016) also notes, the overt direct taxation of ground-rent has been virtually impossible to implement given its 'confiscatory' character. In effect, given the enormous mass of social wealth at stake, its direct taxation would involve the breach of the juridical principle of fiscal equity that governs capitalist private property (pp. 66–67).

12. See Iñigo Carrera (2007b) and Caligaris (2016) for a detailed account of those policies and their role in transferring ground-rent to industrial capital (and the former bibliographical source, in particular, for statistical evidence supporting this argument for the case of Argentina).
13. For the recent 'Pink Tide' in South America see, Grinberg and Starosta (2014) for Argentina and Brazil and Purcell (2016), for Ecuador and Venezuela.
14. Ireland's software industry is a case in point (Friedenthal & Starosta, 2016).
15. Likewise, the NIDL has underpinned the recent contradictory dynamics of the accumulation process in the European 'periphery', as attested by the case of Spain (Charnock et al. 2014, 2016).
16. This section summarises arguments more fully developed in Fitzsimons and Guevara (2016), which also provides more details on data, sources and methodology.
17. From 1960 to 2007, the Argentine State annually appropriated, on average, 20% of the total ground-rent that flowed out of agrarian production, with peaks of 50% in some periods (see Iñigo Carrera, 2008).
18. Note also that skill requirements of direct production workers in Argentina have been relatively similar to those in 'advanced' countries such as the United States.

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Marx and Socially Necessary Labor Time. On the Content and Form of the Quantitative Determination of Value

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Abstract

This article revisits the debates on socially necessary labor-time (SNLT) in the light of contemporary discussions of Marx´s value-theory, which have tended to move from a rather narrow focus on the explanation of the economic basis of the exploitation of wage-workers, to a wider critical inquiry into the social constitution of alienated forms of mediation that structure capitalist society. Moreover, this re-examination of SNLT draws on a novel reading of the textual evidence offered by the critical edition of the manuscripts for Capital, against the backdrop of a brief overview of the controversies between the three main interpretations which can be found in the literature, and the development of an alternative systematic-dialectical presentation of the constitution of the content and concrete forms of realization of the quantitative determination of value.

Keywords

socially necessary labor time, market value, solvent demand, Marxist debate, value theory

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Introduction

The last couple of decades have witnessed a remarkable shift in the main themes and preoccupations prevailing in debates surrounding Marx's economic works. Broadly speaking, it could be argued that the discussion moved from a rather narrow focus on the explanation of the economic basis of the exploitation of wage-workers to a wider critical inquiry into the social constitution of alienated and reified forms of mediation that structure the capitalist organization of social life (e.g., Bonefeld 2014; Heinrich 2021; Iñigo Carrera 2021; Kurz 2016; Postone 1993). The angle of specialist contributions specifically addressing the fundamental issues in Marxian value theory has changed accordingly. Thus, whereas in the past the main concern had been the formally consistent demonstration of the reduction of prices to quantities of labor, contemporary scholars tend to gear their intellectual efforts to the explanation of *why*, in capitalist society, labor takes the *social form* of value. In turn, this renewal of debates has been grounded in a philological re-reading of Marx's works, which has been largely motivated and facilitated by the publication of the respective section of his original manuscripts for *Capital* undertaken by the editorial project known as MEGA^2 (see, for instance, Bellofiore and Fineschi 2009).

Now, these new readings of Marx´s economic works have sought to rethink a wide array of problematics pertaining to the determination of economic categories as fetishized social forms, such as the respective roles of production and exchange in the constitution of value, the materiality and social form of abstract labor, the money-form as the necessary mode of expression of value, among others. Yet, while this new spate of Marxist approaches has greatly contributed to throwing into relief those varied aspects of the qualitative determination of value as a materialized social relation, it seems to us that those novel insights and perspectives have not been similarly extended into an equally in-depth re-examination of the quantitative determination of value (for notable exceptions to this trend see, e.g., Moseley 2023a; Iñigo Carrera 2021). More concretely, we think that the meaning of the key notion of *socially necessary labor time* (SNLT) which, according to Marx, underpins the magnitude of value, has not been sufficiently rethought, or at least not in a systematic categorial fashion, in the light of these new approaches to the Marxian critique of political economy. As we shall see, the elucidation of this issue is not only crucial for a sound comprehension of both the content and concrete forms of the value-determinations in their unity; in addition, it has not been exempted from controversies in the Marxist literature since the publication of *Capital*.

Against this backdrop, the aim of this article is to revisit the debates on SNLT in the light of contemporary discussions of Marx´s value-theory and with recourse to the textual evidence offered by the critical edition of the manuscripts for *Capital*. To do so, the article is structured as follows. The first section offers a brief overview of the controversies which traces the three main interpretations

which can be found in the literature. Subsequently, we present our own approach to the constitution of the *content* and *concrete forms of realization* of the quantitative determination of value based on Marx's systematic-dialectical exposition in *Capital*. Lastly, the third section examines the main passages from Marx's economic works whose diverging interpretations have underpinned the different theoretical positions under debate. Furthermore, it provides an alternative reading of those controversial pieces of textual evidence.

It goes without saying that the philological discussion should not be read as an end in itself. It is just a way of putting our main substantive argument across against the backdrop of the historical and contemporary academic debates around this issue, which have tended to take such a philological angle on the question. In a nutshell, we shall see that the fundamental issue at stake is the connection between production and circulation in the historically specific social form of the human life-process in capitalism.

Brief Historical Overview of the Debate on SNLT

The discussion over the meaning of SNLT can be traced back to just after the publication of the first volume of *Capital*. As Grigorovici reports, the first wave of reactions to this work tended to assume that when Marx spoke in the preface of "important mistakes" in Lasalle´s understanding of his theory, he had SNLT in mind (Marx 1976, 89 fn.; Grigorovici 1910, 4). More precisely, this initial reception of *Capital* understood that Lasalle would have misinterpreted Marx by imputing him the idea that SNLT refers to that which society is willing to validate on the market, whereas it is crystal clear that at stake in the determination of the magnitude of value was the labor-time required for the production a commodity. However, Grigorovici also notes that already at that time some Marxist contributions tried to reconcile both understandings of SNLT (Grigorovici 1910, 18). The publication of *Capital Vol. III* and of *Theories of Surplus Value* reignited the controversy. In effect, these works contained some passages which seemed to allow Lasalle´s allegedly market-centered reading or, at least, a middle ground which reconciled the latter with the traditional "production-centered" understanding of SNLT. In this emerging new context, Marxist approaches to SNLT polarized into those authors who sought to develop further the interpretation of this economic phenomenon as determined by market conditions, and those who wanted to preserve a reading which grasps it as exclusively determined by the conditions of production.[1]

[1]According to Rubin, an analogous debate came up among Russian Marxists in the 1920s (Rubin 1972, 185 fn.; see also Groll 1980, 338 fn.; and Swanson 1989, 61). Similarly, Itoh and Yokokawa comment that the same happened among Japanese Marxists a few years later (Itoh and Yokokawa 2015).

Concerning the former, those early contributions quite simply adopted the suggestion, which many tended to assume originated in Lasalle´s reading, that effective solvent demand on the market determined SNLT and, consequently, the magnitude of value of commodities (Bernstein 1899, 1993, 51; Boudin 1920, 68–70). The quantitative divergence between prices and values, which recurs in Marx´s text, was seen to boil down to express the singularity of each act of exchange among all those simultaneously taking place on the market, based on the respective "haggling" abilities and individual motives and subjective estimates of exchangers (Boudin 1920, 66–67). As for the determination of value by the labor-time required to produce each commodity (without regard to effective demand), this was ultimately reduced to a merely *subjective* logical instance, which would effectively play no actual role in the explanation of the *objective* constitution of its immediate mode of existence as price (whether market price or price of production) (Bernstein 1993, 47–48). Among contemporary Marxists, this is the kind of interpretation which, arguably, would be consistent with so-called "value-form" approaches that explain the qualitative and quantitative social constitution of value through the exchange of commodities and money (as inferred, for instance, in the literature review offered by Kristjanson-Gural, 2017). Yet, it is not easy to find among those contributions an *explicit* philologically informed discussion of the question of SNLT in the systematic architecture of *Capital* (see, however, Fineschi 2001, 269 ff.; and Tombazos 2013, 34–56, for a more extended discussion of SNLT which is broadly sympathetic to the main tenets of the so-called "value-form" approach).

At the opposite end of the spectrum, other Marxists entirely rejected the role of demand in the determination of SNLT and insisted that the latter exclusively referred to the conditions of production of commodities. For its part, the imbalance between demand and supply was seen as only affecting the divergence between prices and values. If anything, effective demand could trigger a *change* in the normal conditions of production and, *therefore*, a modification of SNLT and the value of commodities. Arguably, this perspective eventually consolidated as the dominant view among Marxists (cf. Meek 1973, 178–80). However, it is noteworthy that very rarely have scholars who endorsed it self-consciously placed their own views in the context of a longstanding controversy or sought to situate their views in the light of the textual evidence from Marx´s writings. Be that as it may, among this latter group we can include the contributions by Grigorovici (1910, 30 ff.), Rosenberg (1979, 383 ff.), and Salama (1978, 219 ff.). In more recent times, the approach resurfaced in the works by Lianos and Droucopoulos (1992), Cipolla (2003; 2008), and Moseley (2023b).

As we shall explore in more detail in the last section, the textual evidence from Marx´s economic works is, at least at first sight, not free from ambiguities, and therefore is very far from unequivocally offering support for either of the two "extreme" positions in the controversy. For that reason, most contemporary Marxists have veered toward what could be labeled as an "intermediate"

position, in which both the technical conditions of production and the volume of effective demand determine SNLT and, consequently, the value of commodities. More concretely, it is usually argued that the (conjunctural) level of effective demand establishes the specific technical condition that regulates SNLT, out of the different labor productivities prevailing in a certain sphere of production. Thus, either the "inferior," "mean," or "superior" conditions of production could be validated by effective demand as that which determines the value of commodities. Furthermore, these contributions tend to see the emergence of a divergence between price and value only when the intensity/weakness of demand makes market prices rise/fall even further *beyond* the individual value of any of the two extreme conditions of production. Although this kind of reading can be traced back to the writings of Rubin (1972, 173–222),[2] it gained prominence mainly through Rosdolsky's contribution (1977, 88 ff.) and also via the dissemination of Uno's approach (1977, 83), especially as propagated by his disciples and followers (Itoh and Yokokawa 2015; Itoh 1980, 80 ff., Itoh 1988, 226 ff.; Sekine 1982, 1997, 33, Sekine 2020, 547 ff.). Still, a reading along those lines has been accepted quite widely among many Marxists, not necessarily inscribed in those intellectual lineages (cf. Vygodsky 1967, 89 ff., Vygodsky 1974, 83 ff.; Indart 1987, 1990; Horverak 1988; Swanson 1989; Shaikh 1990; Carchedi 1991, 57 ff.; Martínez González 1993, 64 ff.; Giussani 1996; Lee 1998; Mariña-Flores 1998; Kristjanson-Gural 2003, 2017; Balardini 2017, among others).

Now, although this latter reading admittedly manages to give some formal coherence and unity to the textual evidence which forms the focus of the controversy, especially to that which is found in Volume III of *Capital*, we think that it nevertheless fails to offer a solid approach to the content and form of the value-determinations which is rigorously grounded in the methodological and substantive foundations of the Marxian critique of political economy. Above all, insofar as the magnitude of value is seen as possibly determined by one of the extreme conditions of production, the total socially necessary abstract labor expended in a determinate branch of production no longer coincides with the total mass of value allegedly produced in the said sphere of the social division of labor. That mass of value thereby ceases to be the reified social representation of the materiality of the aliquot part of social labor that has been objectively expended in that sphere of production. More generally, that reading fails to avoid the essential weakness that could be imputed to any view which, whether wholly

[2] Rubin´s emphatic insistence that his approach stands in stark opposition to that which postulates that (market) value is determined by effective demand (Rubin 1972, 182–84; 197–99; 206), has led commentators to place him among those who reject the idea that the latter plays a role in the determination of value (e.g., Kristjanson-Gural, 2017). However, we think that, on closer inspection, Rubin´s argument is much more nuanced and comes rather close to what we have just called "intermediate" position (Rubin 1972, chapter 17 in particular).

or in part, assigns a role to effective demand in the determination of SNLT and the magnitude of value of commodities, namely: insofar as it somehow cuts off the immanent nexus between the actual expenditure of living labor and the constitution of the objectivity of value, it ends up tearing asunder the contradictory unity between materiality and social form which is historically specific to capitalist society (Iñigo Carrera 2021; Starosta, Caligaris, and Fitzsimons 2023, chapters 1 and 2).

The Quantitative Determination of the Magnitude of Value by SNLT and its Form of Manifestation in Circulation

In addition to the controversy over the interpretation of passages in which Marx seems to link SNLT to conjunctural market conditions[3], the Marxist debate also revolved around whether the meaning of SNLT changed with the passage from the simpler level of abstraction of the commodity-form to its more developed mode of realization through the competition among multiple individual capitals that mediates the unity of the global process of capitalist production. For this reason, in order critically to examine the Marxian texts which ignited the polemic (most of which correspond to the level of abstraction of capitalist competition), in this section, we firstly offer a methodologically informed systematic exposition of the unity of the content and the different more concrete forms taken by the quantitative determination of SNLT and the magnitude of value.

Now, any investigation of the quantitative determination of a certain phenomenon must start out by shedding light on the essential quality of the attribute or property whose magnitude we seek to analyze. Space restrictions do not allow us to engage in an in-depth examination of this issue, a task that we have undertaken elsewhere through a discussion of contemporary Marxist debates on the qualitative determination of value (Starosta, forthcoming; Starosta et al., 2023). Still, here we would like briefly to address at least the essential questions at stake in those latter controversies which, we think, underpin the debate over SNLT that constitutes the main focus of this article. More specifically, the fundamental issue is whether the social constitution of value, as the historically specific social form of the product of labor, takes place in production, in circulation, or in some kind of unity between both spheres. Under the influence of the writings of Rubin (1972), a great deal of contemporary Marxists have rejected the old "technological" or "asocial" readings which had dominated until the 1970s through the adoption of some variant of the so-called "circulationist" perspective, whether in the "extreme" version which more one-sidedly grasps value as coming into being in circulation (cf. Heinrich 2021; Reuten 1988), or in the more nuanced "co-constitutive" views which are at pains to give the sphere of production its due

[3]This section partly draws on Starosta, Caligaris and Fitzsimons (2023, chapter 2).

place in the constitution of value as a social form, but which still consider that it is only through the eventual effective exchange against money that value acquires full objective existence (cf. Bellofiore 2018; Murray 2016). There is no doubt that these new readings manage to remain safe from the naturalization of value which was more or less implicit in the old orthodoxy, which simply rested content with its analytical reduction to labor as its source, but never openly addressed the question of the historically specific social constitution of value as a fetishistic social form. However, by lapsing into "circulationist" arguments, these more recent approaches avoid a Ricardian account of the value-objectivity at the expense of depriving the immediate process of production of its immanent social character (Iñigo Carrera 2021; Starosta, Caligaris, and Fitzsimons 2023).

More specifically, all variants of "circulationist" value-form theory fail properly to come to grips with this essential fact: the private and independent form taken by the organization and establishment of the unity of social labor, which marks the specificity of value-producing labor, does not *do away with* or *abstractly negate* the social determination of individual *living* labor *in act or in motion*, that is, *as it exists in the direct process of production*. What happens in a commodity-producing society is that this *materially immanent* general social character of individual labors is not carried as a *conscious determination* by the working subject. Consequently, when organizing the expenditure of the labor-power that they embody, the human individual must unconsciously project or transpose those individually borne social powers as external to their individuality and existing as the objective attribute of the product: the social property of exchangeability or value (Marx 1976, 166–67).

In sum, the key to understanding value as *both* social and grounded in production resides in the recognition that at stake in value-positing is the "unconscious" organization of the determination of privately-undertaken labors as successfully integral individual organs of social labor; a fact which, albeit not "guaranteed," becomes established or not in the sphere of production. What remains to be established in circulation, upon completion of a privately undertaken production process, is not the *positing* or *constitution* of its social determinations (i.e., their coming into objective existence), but their explicit outer *expression* and *accreditation* in a socially recognizable and generally valid manner. The exchange relation performs this necessary yet *mediating* role, through the inverted outward expression of the inner social property of exchangeability intrinsic to each individual *socially useful* product of private labor, as the immediate social power of the general equivalent (Iñigo Carrera 2021). Let us consider the quantitative determination of value in this light.

In chapter 1 of *Capital,* Marx discusses the magnitude of value solely as a corollary of an investigation whose guiding thread lies in its qualitative determination. Consequently, his discussion does not go beyond a formal-analytical indication of the inner content of value's quantitative determination and the elucidation of the necessity of its outward form of manifestation in the body of the

equivalent. Specifically, Marx's initial analysis of the exchange relation shows that value abstracts from all qualitative differences, so that its substance must also be qualitatively homogeneous. However, the analysis of the magnitude of the substance of value confronts us with two qualitative differences, namely: the productivity and intensity of labor. In this context, Marx simply makes the formal observation that the qualitatively undifferentiated character of the substance of value implies that the singularity of each productive action, which involves individual material differences in the aforementioned two features of labor, must thereby socially count as identical to any other individual expenditure of human labor-power, that is, as an aliquot part of the total labor-power of society or as an "average sample of its kind" (Marx 1976, 130).

This is all that Marx says, and actually all that could be said from the viewpoint of the systematic-dialectical exposition, concerning the quantitative determination of value; at least until chapter 3. In effect, as argued elsewhere, the analysis can just uncover the "what" of a determinate phenomenon. But only the synthetic development of the unity between the discovered content and its concrete forms of existence can account for the "why" and the "how" (Starosta 2008). Nevertheless, one could wonder whether the discovery of private labor which marks the specificity of the capitalist organization of social labor could cast additional light on the ground of the magnitude of value. More concretely, the question is how can the social recognition of the quantity of necessary labor be established in a society with no directly collective power which could determine the productivity and intensity with which to exert the labor-power possessed by the different individuals? In these circumstances, the only way the normal conditions of production can assert themselves is through the constitution of an average out of the multiplicity of diverse independent singularities, which tend to converge towards the said normality (Iñigo Carrera 2021, 49).

Two additional issues must be thrown into relief. First, no matter how concise Marx's discussion of the magnitude of value in chapter 1 of *Capital* is, the point remains that the *content* of the quantitative value-determination has been fully unearthed by that stage. In this sense, nothing in the subsequent systematic exposition can alter that initial potentiality of the commodity. The only thing that could change and be brought more fully into view is its necessary *form of realization*. Second, Marx's presentation in chapter 1 already shows that for the product of labor to be bearer of value, it must be a *social use-value*, that is, it must satisfy the need of a different individual from its producer (Marx 1976, 131). From the standpoint of *commodity-producing labor*, this means that it must be *useful for others*. That is why one could legitimately refer to a second sense in which commodity-producing labor must be "socially necessary." However, this has absolutely nothing to do with the determination of the magnitude of the commodity's value. Yet, circulationist readings conflate these two clearly different meanings to assign "effective demand" a role in the quantitative determination of value. But the "effective demand" is a phenomenon of circulation,

which we have already seen has no place in the *constitution* of value as social form. In fact, at this initial "level of abstraction" the dialectical presentation has not even led to face such thing as "demand," so it could hardly enter as an element of the simplest content of value. At stake in chapter 1 is only the *expression* of value, and therefore the *constitution of the price-form as such*. "Demand" has the latter as its systematic premise; it concerns the concrete form of realization of the price-form in the effective practical movement of the circulation of commodities.

In this sense, it is crucial to distinguish among the different systematic steps in the constitution, ideal expression, and effective realization of the determinations of value. To do this, in the 1859 *Critique* Marx differentiates between what he calls the "theoretical phase of circulation of commodities" and the actual circulation process. The theoretical phase of circulation of commodities is then deemed "preparatory to real circulation" (Marx 1987, 303), since the latter can only take place once, "as a result of the establishing of prices, commodities have acquired the form in which they are able to enter circulation" (Marx 1987, 323). Only then (section 2 of chapter 3 of *Capital*) is the actual movement of circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions (presupposed more abstract forms) but as its results (its developed concrete forms). By that point, the question no longer resides in elucidating the "what" of the quantitative norm that constitutes the magnitude of value, but rather in shedding further light, albeit preliminarily and incompletely, on the "why" and, primordially, on the "how."

As Marx stresses on the section on the "Measure of Value," although the "price or money form" of commodities is a "purely ideal or notional form" in which value is *expressed*, the latter is nonetheless *determined* by the (socially necessary) "quantity of human labor" *materially* contained in (socially useful) products as they emerge from production (Marx 1976, 189–190). Thus, the *unity between the immanent qualitative and quantitative determinations of value*, which constitutes the *objective* inner content that is *outwardly* expressed in the monetary form of the "normal price" of a commodity, must evidently be the *systematic premise* of the formal possibility of, and actual necessity for, a "quantitative incongruity between price and the magnitude of value" *in circulation* (Marx 1976, 196). In other words, from a systematic-dialectical perspective, already-determined *normal prices* (both qualitatively and quantitatively) must constitute the explanatory presupposition of market prices that deviate from them by virtue of a disequilibrium between "supply and demand" manifested in circulation (cf. Marx 2015, 298).

As matter of fact, this methodological angle underpins Marx's "thought experiment" in chapter 3, through which he eventually follows the movement of the *effective* circulation of commodities. A certain number of pieces of linen arrive at the market *with their value already and solely determined* by the "materialization of the same socially determined quantity of homogeneous human labor" contained in each of them, which are in turn monetarily expressed in a "normal

price" of 2 shillings (Marx 1976, 202). On that basis, Marx *then* supposes that the "market cannot stomach the whole quantity" of articles at that normal price, which *implicitly* leads, through the competition process among weavers, to a fall in the market price of the yard of linen below the magnitude of value.

Marx then closes his thought experiment with the observation that, from that moment on, he shall consider the phenomenon "in its pure shape" (Marx 1976, 203). This involves abstracting from the "abnormal loss or accretion of substance" of value which may result from the "change of form" of the commodity, if the latter "is not impossible to sell" (Marx 1976, 203).[4] Marx thus leaves the matter at that and proceeds with the further unfolding of the individual commodity's metamorphosis. However, there are a couple of additional points which could be made in this regard.

First, it must be stressed that it is not that the commodity loses/gains magnitude of value, but that its change of form *entails*, respectively, a loss or accretion of value for the seller or buyer of that commodity. What one abnormally loses is what the other gains and vice versa (Iñigo Carrera 2021, 278–81). Second, and beyond Marx's explicit focus, when circulation is grasped from the standpoint of the overall unity of social production and consumption, an additional quantitative meaning of "socially necessary labor" comes to the fore (Marx 1989a, 132). Briefly stated, there emerges another "quantitative norm" in the articulation of the general social division of labor, namely: the proportional allocation of the total social labor into the different branches of production. This reveals that the establishment of the unity between social production and consumption entails a definite magnitude of what becomes determined as the *normal social need* for each kind of use-value. At this level of abstraction, this corresponds to what is required for the reproduction of the productive attributes of commodity-producers. Furthermore, this brings to view the organic character of each individual commodity as an aliquot part of the quantitatively determined normal mass of commodities of a qualitatively certain type. From the standpoint of commodity-producing labor, this shows that the quantitative determination of value-production is not a process which simply concerns each "isolated" commodity but pertains to the organic (sub)unity of each branch of social labor (Marx 1976, 202; 2015, 302). Still, although this quantitative determination of the normal social need is *discovered* through the examination of circulation, it is an *immanent material determination of the organization and execution of direct production*. As elaborated in more detail elsewhere, production is the point of the departure and ground of the unity of the process of metabolism and, therefore, also of social consumption (Starosta, Caligaris, and Fitzsimons 2023).

Now, a partial overproduction of a certain kind of use-value *vis-à-vis* the normal social need does not imply that there has been no value production

[4] Were the product of private labor quite simply "impossible to sell," it would mean that it was not a social use-value nor, therefore, bearer of value, from the very outset in production.

corresponding to that excess "supply." Instead, it means that too much value has been produced compared to the normal scale in that sphere; or, as Marx puts it, that "all these pieces taken as a whole [...] contain superfluously expended labor-time" (Marx 1976, 202). Thus, this value does not just simply vanish into thin air but is appropriated in another node of the social division of labor. In effect, the very existence of a normal inter-branch proportional distribution of social labor implies that the excess in value-production in one node must involve a correspondingly insufficient scale of value-production in another. The competition-driven divergence of market prices from normal prices that directly express the immanent magnitude of value "constantly regulates this distribution" of "necessary labor time [...] among the various spheres of production" (Marx 1989a, 132). Under these circumstances, and from the viewpoint of the unity of social production and consumption, *all privately undertaken material expenditure of SNLT proves to have been socially useful in a qualitative sense*. In terms of its "purely social" representation as the "exchangeability" of its product, the total mass of value materially borne by all *socially useful* products of private labor is realized in circulation, although it is (partly) appropriated in different spheres from those in which it had been produced (Iñigo Carrera 2021, 278–81). In sum, the imbalance between "supply and demand" is but the self-negating form in which the proportional distribution of social labor-time is established when mediated by generalized commodity-production.

At this juncture, a final methodological observation is in order. Note that Marx's analysis in chapter 3 stops short at the indication of a necessity for a quantitative divergence between market prices and normal prices and does not unfold the adjustment mechanism which tends to eliminate the underlying imbalance between production and social need for the respective use-value. Presumably following his own methodological remark in the 1859 *Contribution* that the "coming into being" of a "market price differing from exchange value" must be "solved in the theory of competition" (Marx 1987, 302), that mediating process is not fleshed out until Volume III, once Marx has already developed the exchange of commodities as the product of individual capitals determined as formally undifferentiated aliquot parts of the total social capital, that is, through the formation of the general rate of profit. In effect, the competition over the appropriation of the general rate of profit is the concrete form in which the requirements for the normal material reproduction of society are imposed upon capitalistic private producers (i.e., individual capitals). This applies both to the SNLT required to produce each commodity and to that which is needed for the total mass of commodities in the respective sphere of production.

At this more concrete level of the dialectical exposition, Marx analytically distinguishes between intra-branch competition, which mediates the realization of the value of commodities, and inter-branch competition, through which prices of production come about. That latter presupposes the distinction between

values and market prices (Marx 2015, 304). Regarding intra-branch competition, Marx distinguishes between an "individual value," which represents the privately-undertaken individual labor-time embodied in a commodity, and a "social value," as the representation of the latter which is determined as socially necessary insofar as it expresses the normal conditions of productivity and intensity of labor prevailing in a certain branch of industry (which, as we have argued above, are exclusively established in the sphere of production).[5] In turn, insofar as the point is to mediate the actualization of the social value through competition, it is necessary to distinguish between a market price, which is the immediately visible mode of existence of value, and a *direct normal price*, as the *simplest* monetary expression of the social value, which is the gravitational center around which the former fluctuates. We refer to the latter form of manifestation of the social value as "direct" insofar as it involves no quantitative divergence from its immanent magnitude.[6]

Now, commodities reach the market as the result of diverse conditions of production. Consequently, their normal price will reflect the average of their respective individual values. Hence, if commodities produced under mean conditions have the greater weight, whilst those in the respective ends of the spectrum cancel each other out, the normal price will be "regulated" by the former (in the simple *arithmetic* sense of proportion in the weighted average). By contrast, if any of the extreme conditions predominates, they will have the "upper hand" in the constitution of the normal price. As Marx observes, individual capitals will consequently gain/lose value to the extent that the individual value of its commodities stands below/above the resulting normal price (Marx 2015, 289).[7] Through these divergences the norm that constitutes SNLT is imposed upon individual capitals.

Once the formation of the normal price has been elucidated, it remains to be considered the mode in which the former takes concrete shape through market prices. Another quantitative difference emerges, but now concerning the normal conditions for the unity between social production and consumption. In other words, at stake here is the relation between the total social labor that has been privately expended in the production of a certain kind of use-value, and the

[5] In *Capital*, Marx explicitly introduces for the first time such a distinction in chapter 12 of Volume I (Marx 1976, 433; see Starosta, Caligaris, and Fitzsimons 2023, chapter 6). However, it thereafter fades into the background until the exposition returns to the more systematic treatment of competition in chapter 10 of Volume III.

[6] As we shall discuss in the next section, Marx includes this direct normal price in the definition of what he calls "market value." However, his usage of this latter term is broader and incorporates other phenomena.

[7] This process only involves normal capitals, that is, those which partake in the active development of the productive forces by virtue of their scale, in contrast to "small capitals." See Iñigo Carrera (2016) and Starosta, Caligaris, and Fitzsimons (2023, chapter 8) for a fuller discussion of the qualitative differentiation of individual capitals.

normal magnitude of the (solvent) social need which is meant to satisfy. An imbalance will be expressed through a divergence between the respective market price and the normal price which constitutes the simplest monetary expression of the social value (Marx 2015, 291; 297–304). Thus, this divergence between an already-constituted normal price and market prices, which will also be expressed in the individual capital's capacity to obtain the average rate of profit, will be the mode in which the *normal* magnitude of social labor which must be allocated to a certain branch of production, will be imposed upon individual capitals.

The Discussion Around the Textual Evidence

Let us now turn our attention to the passages of *Capital Vol. III* and *Theories of Surplus Value* which have been at the center of the controversy on SNLT. Among them, there are a couple which stand out for Marx´s comment that SNLT "acquires another meaning," insofar as it can be considered as "[t]he total quantity of labor time used in a particular branch of production" vis-à-vis "the total available social labor" (Marx 1989a, 131–32); that is, "that only the necessary part of the total labor time of society is used in the particular sphere, only the labor time which is required for the satisfaction of social need (DEMAND)" (Marx 1989b, 150). Elsewhere, Marx refers to this other meaning of SNLT as "a further developed expression of the law of value in general" (Marx 1991a, 774).

Furthermore, there are other instances in which Marx seems to be stating that a disequilibrium between supply and demand plays at least some part in the determination of what at those junctures he calls "market value" (Marx 1991a, 284, 286–287). This strikes us as rather problematic insofar as there are passages in which Marx appears to identify this latter term with what he had named "social value" in Volume I; which, as argued in the previous section, is determined solely in production as the representation of socially normal material conditions of productivity and intensity of labor. Yet, to complexify things further, we shall also see that in other parts of his manuscripts Marx seems to use the term "market value" more broadly. Thus, there is an admittedly striking lack of categorical clarity and precision in the nexus between the term "market value" introduced in Volume III, and that of "social value" from Volume I. Presumably, this paved the way for readings which, one way or another, end up maintaining that market disequilibria affect the determination of value as such.

Against this backdrop, we would like to offer an alternative reading of the textual evidence at play in the debate. First and foremost, we should point out that the connection between the "second sense" of SNLT and the definition of market value is textually very weak. On the one hand, most passages in which Marx refers to this other meaning of SNLT are not located in the parts of his manuscripts where he discusses the category of market value. As a matter of fact, in the few passages in which both terms do concur, the occurrence takes place in a

context in which Marx stresses the divergence between market value and *market prices* (e.g., Marx 2015, 297–298). More importantly, the mere reference to another meaning for SNLT is not unequivocal evidence that it involves a *modification of the first sense*. As Grigorivici had already observed, similarly to the term "socially necessary" utilized to refer to the part of the working day during which the worker reproduces the value of their labor-power, it might as well be a case of the "use of the same technical term in different senses" (Marx 1976, 35 fn.; Grigorovici 1910, 46). Lastly, Marx´s statement that at stake is "a further developed expression of the law of value in general" (Marx 2015, 734) does not necessarily mean that a modification of the *foundations* of this law is involved. In fact, what Marx´s words *literally* refer to is the *expression* of the general law, that is, to the *self-negating form of manifestation* of the determination of value, which is indeed the case through the establishment of market prices which diverge from values.

Concerning those passages where market value is deemed to be determined by a divergence between supply and demand, it must be stressed that it is an incontrovertible fact that they are largely overshadowed by a majority of passages in the same part of the manuscript where Marx unequivocally states that a market disequilibrium exclusively affects the movement of market prices by making them diverge from market values, in turn considered as synonymous with the social value. Based on this evidence, some authors have hinted at the possibility that those apparently "market-centric" references to the determination of market value involve a lapsus by Marx or maybe errata by his editors (Yamamoto 1962, cited in Itoh and Yokokawa, 1979, 106; Salama 1978, 222 fn.; Moseley 2023b). In our view, however, another reading is possible.

In the first place, we must distinguish within the set of textual evidence usually adduced as proof of the role of effective demand in the determination of value, certain passages which entail no ambiguity whatsoever but which, we think, are quite simply misread. For instance, this is the case where Marx indicates that if any of the extreme conditions of production predominates, it is "the mass produced under [those] conditions that governs the market, or social, value." (Marx 2015, 293). As should be evident, demand plays absolutely no role in these situations. It exclusively is a matter of the proportional composition of the total mass of commodities produced in a certain branch. Furthermore, that a determinate condition of production is deemed to "govern" value does not invalidate the idea that at stake is the respective incidence on a weighted average (cf. Marx 1989a, 428–429). As already mentioned in the previous section, here the verb "govern" is used by Marx in a simple arithmetic sense. Interestingly, Carcanholo (2013, 131) suggestively notes that Marx´s precise choice of the verb "govern," which is rather unusual in his vocabulary, over the more common "determine," seems to indicate that it was not haphazard but deliberate.

Now, at this juncture, it must be duly acknowledged that there are parts of the text in which Marx unequivocally does state that effective demand determines

the magnitude of market values. Yet, it is often overlooked the precise context in which those formulations occur, namely: as part of "extraordinary situations," in which "demand is *so strong*, however, that it does not contract when the price is determined by the value of the commodities produced in the worst market conditions" (Marx 2015, 289, emphasis added). In modern terminology, it would be cases of extreme price inelasticity of demand. Alternatively, Marx points to the opposite case in which supply falls below "the usual level" (Marx 2015, 289). In our view, a crucial issue here is the precise sense which Marx had in mind when referring to the "usual level" of supply and demand. This becomes clear some pages later, when Marx explicitly turns to discuss "the real difficulty in pinning down the general concepts of supply and demand" without ending up "with a tautology" (Marx 2015, 296). In that context, it transpires that when previously referring to "extraordinary situations" Marx seemed to have been pointing to a deviation from the "given scale" that expresses the "*definite quantity*" which constitutes the "customary measure" of the "*annual* production or reproduction" (Marx 2015, 296). In other words, he was not considering short-term conjunctural imbalances between supply and demand, but a more resilient disequilibrium which prevents an adjustment process through expansion/contraction of the scale of production, and which can thereby only take place through the movement of prices to a new "normal" level.

Seen in this light, this highly exceptional character of those situations casts doubts on the hypothesis that the determination of value by demand forms part of the *foundations* of the "law of value." In other words, it seems more likely that they are "divergences" from the norm, which actually have to be explained on the basis of a prior knowledge of "natural law of the equilibrium" of value (Marx 2015, 298). More importantly, in no scenario does Marx indicate that market conditions determine value but *market value*. Thus, this begs the philological question of the precise meaning of the latter in Marx´s writings, to which we now turn.

In *Theories of Surplus Value* Marx had mentioned market value for the first time, specifically as the "common value […] at which they [commodities] appear on the market," which "[e]xpressed in money" takes on the form of a common "price" (Marx 1989a, 429). On a first glance, one would be led to think that Marx is referring to what we called in the previous section "direct normal price," that is, the monetary expression of the social value of commodities. However, Marx immediately adds that "[o]ver a certain period, however, the fluctuations [of the actual market prices] equal each other out and it can be said that the average of the actual *market prices* is the market price which represents *the market value*" (Marx 1989, 429, 433; 1994, 156–157). It is noteworthy that in this latter formulation that Marx does not just refer to the market value as the simplest monetary expression of the social value, that is, as the more abstract *systematic premise* of market prices. Instead, he now refers to an *average market price* which is the *empirical result* of their oscillation, and which is deemed to "*represent*" the

market value. Crucially, it must be borne in mind that the average market price is not always the immediate manifestation of the direct normal price. In effect, in the case of productions subject to natural conditions uncontrollable by capital, the average market price is regulated by the individual value of the least favorable conditions which are needed to satisfy the existing social demand. Insofar as it is a regulating price, it still is determined as a normal price, albeit not as a *direct* one (since it does not reflect the average level of labor productivity but one of the extremes). That Marx does treat the market value along these lines as a non-direct regulating price can be discerned some pages later when he discusses Ricardo´s ground-rent theory, where he observes that in the case of agriculture "the market value is *determined* by the unfertile class"(Marx 1989a, 589). Moreover, he also differentiates between this regulation of market prices and that which is simply established "because of the state of the market" (Marx 1989a, 488), elsewhere labeled as "monopoly price" (Marx 1991a, 898). This definition of market value as a "regulating" normal price, which is determined by production "in a broad sense" but without necessarily being the *direct* quantitative expression of the *social value*, is preserved throughout the whole of this manuscript (Marx 1989a, 461–63; 473–80; 485–90; 507–8; 1991b, 380; 1989b, 69–70; 516; 1994, 156). In our view, it also recurs in the manuscript which comprises Volume III of *Capital*.

Effectively, in this manuscript, Marx also starts out his exposition with a definition of market value as the direct monetary expression of the social value. But he also adds that it is "the center around which the daily market prices revolve, and at which they are balanced out in definite periods" (Marx 2015, 290). Moreover, some pages later he stresses the latter point by noting that "this average figure is by no means of merely theoretical importance. It is, rather, practically important for capital" (Marx 2015, 300; see also 294, where he refers to "average price or market value"). Against this backdrop, the claim that the market conjuncture can affect the magnitude of the market value by making it come to be regulated by "commodities produced under the worst conditions, or alternatively exceptionally favorable ones" (Marx 2015, 289), should come as no surprise. That is indeed what happens with the regulating normal price and, a fortiori, with the average market price. Now, insofar as in these passages Marx addresses what he *explicitly* considers to be "extraordinary situations" (Marx 2015, 289), he is not meticulous enough to make a *categorical distinction* between the quantitative determination of the market value regarded as the direct monetary expression of the social value (i.e., as a "direct normal price") *vis-à-vis* a broader definition as a regulating price limited by the productive capacity of the respective sphere of production which can diverge from the social value. Still, when toward the end of the manuscript he addresses the transformation of surplus profits into ground-rent, where this distinction is the norm rather than an exception, Marx leaves no doubt that the "determination by a *market value,*" understood as a regulating normal price determined by the worst conditions of

production, "produces a false social value," that is, a quantitative divergence between the market value thus defined and the proper social value (Marx 2015, 817).

Lastly, we now turn to the discussion of a key paragraph which is at the center of contemporary controversies and which, moreover, involves the greatest interpretative difficulties. To begin with, let us place the said paragraph in context. The text is located where Marx announces that, up to that point, he had analyzed the "*abstract* establishment of market value," that is, by bracketing the movements of supply and demand and only considering the weight of each kind of condition of production in the total mass of commodities supplied (Marx 2015, 295). Yet, he continues, "it now becomes essential to consider the *volume*, hence the quantity, of [the corresponding] social need" (Marx 2015, 295). After a brief discussion of the scenario in which supply equals "customary demand" and in which, therefore, "the commodity is sold at its market value, however, regulated according to the variable composition of the elements forming the aggregate supply" (Marx 2015, 295), Marx moves to the examination of a scenario in which the quantity supplied diverges from "customary demand". This discussion, it must be recalled, is considered by Marx within a timeframe which corresponds to the normal *annual* scale of the reproduction process, so that the adjustment process can only occur through price variations. And he states:

> [1] If, however, the quantity supplied is less than the *demand*, or alternatively more, there will be variations of the market price from the market value. [2a] And the first variation will be that if the quantity is too small, it is always the commodities produced under the worst conditions that govern the market value, while if it is too large, it is always those produced under the best conditions; [2b] hence it is one of the two extremes that determines the market value, despite the fact that the proportions produced under the different conditions, taken by themselves, would lead to a different result. [3] If the difference between the demand for the product and the quantity produced is more significant, the market price will diverge more significantly from the market value –than through this different determination of the market value–, either upwards or downwards (Marx 2015, 295-96; translation modified based on original manuscript in Marx 1992, 260).[8]

As already mentioned, some commentators account for the potential "circulationist" implications of this paragraph by appealing to alleged lapsus or errata, whether on the part of Marx or of his editors. Thus, it is argued that all the phrases where the market value appears to change in response to a market disequilibrium would involve such an instance of lapsus or erratum. Marx must have meant that the change occurs in the "market price." Note, however, that this

[8] Numbering of each sentence added.

implies that Marx would have incurred in *three* consecutive lapsus, which, moreover, would be present in *three different phrases* (albeit only two tend to be cited, since the phrase between hyphens, which Engels did not include in his edition, but which appears in the MEGA[2], is usually overlooked). Is this hypothesis quite simply untenable? Not necessarily. However, we do think that it is highly unlikely that Marx would have made so many mistakes in a row. On the other hand, note that the hypothesis of the "triple lapsus" fails to make sense of the *counterpoint* that Marx evidently wants to make when he states that market value comes to be determined by one of the extremes, "despite the fact that the proportions produced under the different conditions, taken by themselves, would lead to a different result." A contrast between a determination of market *prices* by extreme conditions and the simplest determination of the market *value* by the weighted average of the incidence of each of the different conditions of production, would make Marx´s wording lack in all formal coherence. Or, at best, it would be an absolutely and suspiciously trivial argument. Finally, this reading proves to be even more problematic when account is taken of the phrase between hyphens that Engels omitted and where Marx stresses the sense of the counterpoint by referring to "this different determination of this market value."

In opposition to the thesis of the "triple lapsus," the more widely accepted contemporary reading takes the paragraph at face value. On those grounds, it concludes that the passage adds to the case for the plain identification of social value and market value and, consequently, for the role of demand in its determination through the establishment of the regulating condition of production. Again, this interpretation also clashes head on against the formal coherence of the paragraph´s wording. In this case, the inconsistency is between Marx´s first claim, according to which by virtue of a market disequilibrium "there will be variations of the market price from the market value" [1], and the sentence that immediately follows [2a]. This latter sentence starts off referring to "the first variation"—which must evidently refer to the direction of the divergence between the market price and the market value—but ends up speaking about a peculiar determination of the market value as such.

How to avoid what seems like an inevitable dead-end? We think that our hypothesis about Marx´s idiosyncratic and lax usage of the term "market value," coupled with a *partial* acceptance of the "lapsus thesis," allows a reading that makes sense of a paragraph which seems to elude all formal coherence. Specifically, we concur that there might be a lapsus in the paragraph. Yet, in our view, it is located only in the *first* mention of the regulation of the market value by "the commodities produced under the worst/best conditions" in sentence [2a], which should have referred to the "market price." Thereafter, all subsequent mentions to the "market value" (sentences 2b and 3) are correct. The key, however, is the (im)precise meaning that Marx gives to that term. As already argued at length, Marx uses the category of market value not only to refer to the immediate quantitative expression of the social value, that is, to the direct normal

price. Instead, he uses it more broadly also to include the regulating normal price which, under definite circumstances (notably, in agricultural production), entails a quantitative divergence from the quantity of labor that is represented in the magnitude of the social value of the product; but which, nevertheless, does reflect some of the production conditions of the respective sphere of the social division of labor.

In light of this alternative reading, the controversial paragraph seems to recover rational sense. "The first variation" would be between the market price and the market value understood as the immediate quantitative expression of the social value (i.e., according to "the proportions produced under the different conditions, taken by themselves"). Insofar as this variation is not simply short-term but, due to whatever peculiar circumstances which involve "rigidities" in the quantities supplied, persists in time, and crystallizes into an "empirical gravitational center" for the daily fluctuations of market prices, Marx appears to infer a "different determination of this market value" by one of the "extremes." Even "more significant" variations would thereby imply market prices that lose direct connection to any of the conditions of production found in the respective sphere, that is, that differ from the market value in any of its meanings to become a so-called monopoly price.

In sum, our main argument is that the interpretative difficulties in the passages from Marx´s text which relate the market value with supply and demand conditions get resolved once we acknowledge that this category is used broadly to refer to a regulating normal price, albeit not necessarily a direct one. Along the same lines, we threw into relief that it is of paramount importance to be clear that *it therefore is not synonymous with "social value."* While the latter is always determined solely in production according to the SNLT formed by the weighted average of the individual conditions of production in the respective branch, and constitutes the "general law of value" or "norm" that governs the "movement of prices" (Marx 2015, 288), Marx´s treatment of the "market value" in Volume III of *Capital* also encompasses further *extraordinary* mediating circumstances which involve *divergences* from the "general law," albeit still within the limits set by the existing material conditions of production.

Now, all this begs a subsequent question. Why would Marx use the *same* category to account for *two* qualitatively different phenomena such as what we have called "direct normal price" and "regulating normal price?" At this juncture, we believe that it is suggestive that Marx coins the term "market value" as part of his critical review of Ricardo´s theoretical project aimed at offering a "unified labor theory of value" which is applicable to both manufacturing and agriculture (Marx 1989a, 428 ff.). In effect, under these peculiar premises the issue at stake no longer is to establish the connection between the magnitude of value of a commodity and SNLT but, instead, to delineate the broader nexus that all normal prices must have with some "quantity of labor expended in production." But if this were the case, one could still wonder whether such an

attempt to generalize the case of agriculture to all branches of production would entail a problematic collapse of different systematic levels of abstraction. Even more awkwardly, as attested by Marx's own exposition in Volume III, it entails lapsing into the formulation of opposite cases to what is the peculiar but real norm in agriculture, such as the permanent oversupply of commodities, which do not seem to have any practical relevance in the objective reality of the capitalist mode of production.

Conclusion

This article has revisited the Marxist debate over the meaning of SNLT against the backdrop of contemporary discussions on Marx´s value theory and the newly available evidence provided by the critical edition of the original manuscripts for *Capital*. We have seen that three main perspectives can be discerned. The "circulationist" one considers that SNLT represents the amount of social labor validated by effective demand on the market. The "production-centered" approach maintains that it is constituted through an average of the conditions of production prevailing in the respective sphere. Finally, there is an "intermediate" position which argues that it expresses the regulating condition of production which is in turn determined by effective demand. After critically reviewing the different positions in the debate, we concluded that none of them offers an explanation which is consistent with both the simplest determinations of value and Marx´s writings on the subject.

Our own key argument was that SNLT, as the quantitative aspect of the substance of value, expresses the norm of the productivity of labor which is established through the diversity of production conditions under the command of the multiple individual capitals in a certain branch of social labor. In turn, we submitted that the different price-forms are the "distorted" (i.e., self-negated) modes in and through which the former *content* is *expressed*, with varying degrees of mediation. Furthermore, this latter process mediates the indirect imposition of the norm which constitutes the proportional allocation of the total social labor among the different spheres of production.

As for Marx´s textual legacy, we pointed out that he does refer to this other norm in the quantitative regulation of social labor as a "second sense" of SNLT. But we disputed the claim that it entails a modification of its "first sense." Instead, we maintained that it is a case of usage of the same "technical term" for different purposes. Moreover, concerning the passages in Volume III of *Capital* where Marx relates the determination of the magnitude of the market value with the volume of effective demand, our central claim was that the former term is not synonymous with the social value. However, in chapter 10 of Volume III Marx arguably tended to conflate the two categories. More specifically, Marx understands the market value as the monetary expression of the social value in the form of a regulating normal price, be it in a quantitatively direct or unmodified

fashion (as happens in normal circumstances), be it as a regulating normal price within the range of those determined by at least one of the conditions of production prevailing in a certain industry. Seen in this wider light, its determination does incorporate the mediation of (highly exceptional) conditions of circulation. This is what sets it apart from the social value, whose constitution as the purely social representation of the materiality of the privately performed socially necessary abstract labor, takes place exclusively in the sphere of production.

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Global Commodity Chains and the Marxian Law of Value

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Abstract: This paper develops a Marxian critique of the "global commodity chain" (GCC) paradigm. It is argued that this approach fails to provide an actual explanation of the phenomenon it sets about to investigate. Instead, it offers a typological description of the immediate manifestations of the determinations at stake. As a consequence, the GCC approach one-sidedly conceptualises the relations among individual capitals within a commodity chain as the simple result of relations of power (or co-operation), that is, of direct social relations. By contrast, this paper argues that the latter are concrete mediations of the inner laws regulating the indirect social relations among individual capitals: the process of global competition through which the formation of the general rate of profit asserts itself. On this basis, it develops an alternative account of the social determinations underlying the genesis, structure and evolving configuration of GCCs as an expression of the unfolding of the Marxian "law of value".

Keywords: global commodity chains, Marx, law of value, capitalist competition

> . . .and all science would be superfluous if the form of appearance of things directly coincided with their essence (Marx 1981:956).

Introduction

The global commodity chain (GCC) approach can be regarded as a highly influential framework for the study of contemporary economic processes to have emerged out of the academic debates around the so-called "globalisation" question.[1] It is part of a growing number of diverse traditions that have been converging into what could be labelled a "network-led development paradigm" (Sturgeon 1998). These related approaches see the problematic of development through the lenses of some variant of the concepts of "chains" or "networks" (Henderson et al 2002:448).[2] Without wanting to downplay the differences between the varied intellectual traditions in this broad group of perspectives, they all share a common set of assumptions and concerns. First, they all recognise the novelty of phenomena generally associated with the "globalisation" of the capitalist economy, which they define in terms of the emergence of a pattern of global dispersion with functional integration of economic activities (Dicken 2003:12). Second, they see the configuration of global production networks of firms as fundamental

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drivers of these economic transformations and, therefore, as the context in which to rethink the problematic of development (Yeung 2007:1). In particular, participation in these networks or chains is considered to be a central determining factor of different developmental outcomes by providing opportunities for "upgrading" of firms that can spill over to the rest of the national economy (Kaplinsky 2000; see Bair 2005:167ff, for a critical assessment of the concept of upgrading).

This focus on the sectorally specific structure and dynamics of global industries could be said to resonate with the broader resurgence of interest in the economic, cultural and spatial "life" of particular commodities among geographers (Bridge and Smith 2003; Castree 2001). In this sense, Leslie and Reimer (1999) identify the GCC approach as one of three perspectives that have recently revived academic attention to the specificities of different sectors, the other two being the systems of provision approach mainly associated with Fine and Leopold (Fine and Leopold 1993) and the commodity circuits found, for instance, in Cook and Crang's work on "circuits of culinary culture" (Cook and Crang 1996). But while these latter two groups of literature tend to concentrate on the production–consumption linkage (and, as a consequence, on the nature of the connection between "economy" and "culture" in capitalism), it is the former strand of research that fundamentally puts issues of economic and industrial organisation at the centre of the inquiry (Smith et al 2002). Insofar as this paper is concerned with organisational aspects of the changing forms of global competition, I shall therefore restrict the critical discussion that follows to the GCC approach.

There is no doubt that studies informed by the GCC approach have provided rich empirical descriptions of the functional articulation of particular branches of industry dispersed across the globe. In effect, research stemming from the GCC tradition offers very detailed and informative accounts of the current forms of intra-capitalist competition in different commodity chains. Those studies can therefore be taken as a useful empirical starting point for the investigation of the more general determinations that underlie the relationships among the different individual capitals along each chain. However, some further questions arise concerning its contribution to our comprehension of the contemporary forms of global capital accumulation. In the first place, a critical assessment of the GCC approach should evaluate its merits as a framework for the study of international development. Such an overall assessment of the GCC approach as a tool for the comprehension of uneven development in global capitalism is not, however, the path that I shall follow in this paper.[3]

My aim here is much more modest but, at the same time, focuses on an aspect that has remained unexplored in the critical literature: this paper subjects to critical scrutiny the very concept of commodity chain

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through the lens of the Marxian "law of value". Given this limited scope, the paper will only examine one of the two constitutive components of the notion of GCCs. Thus, the discussion focuses on the determinations of the "chain form" taken by the current forms of capitalist competition at the expense of analytically "bracketing" its global dimension. To freely borrow a useful distinction from Yeung (2007:4), I centre the examination of GCCs on the "organisational fix" in GCCs and not so much on its "spatial fix". While the latter idea originally developed by Harvey (2006) refers to the geographical relocation undertaken by capital in order to maintain its profitability, the former tries to capture the way in which global lead firms reorganise their network of suppliers in order to maximise their valorisation. As Harvey himself remarks in the *Limits to Capital*, even if it does not provide a full picture of the social processes at stake, a separate engagement with the changing organisational arrangements of capital can nonetheless offer valuable insights into what is a distinctive concrete form taken by the accumulation process (Harvey 2006:139).

Through a critical appraisal of the general foundations of the GCC approach, I make the following two main points. In a more critical vein, I shall argue that despite its informative character, the GCC approach does not actually provide an explanation of the very specific phenomenon that it sets to investigate. What commodity chain studies do is simply to offer, through an essentially inductive-empiricist methodology, a typological description of the immediate outer manifestations of the determinations at stake. This failure firmly to explain the nature of GCCs is expressed, for instance, in the disjuncture between the portrayal of the particular dynamics internal to each industry and the general dynamics of the "system as a whole". Secondly, and more constructively, this paper offers an alternative account of the social determinations underlying the genesis, structure and evolving configuration of GCCs on the basis of the Marxian critique of political economy. In this way, I recast the phenomenon of GCCs by putting forward more solid theoretical foundations for the comprehension of this novel form of capitalist competition on a world scale.

In this endeavour, I intend to echo Neil Smith's appeal for a "return to theory" in radical economic geography (Smith 1989). As he argued in the late 1980s, much of the work among critical geographers tended to react to the abstract and formalistic general models of traditional location theory by re-emphasising empirical research on specific industries and places and aiming at capturing the detail and complexity of particular cases. While there is much to commend in this preoccupation with particularity, Smith reported how this shift towards empirical research had eventually come at the expense of a renunciation of theory and had dangerously slipped into a new empiricism that was incapable of shedding light on the general movement involved in the changing

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uneven geography of capitalism (Smith 1989:154–156). More recently, Jamie Gough noted how this theoretical gap still remained more than 10 years after Smith's original call and reinstated the need to found the understanding of scalar economic relationships on the fundamental processes of capitalist economies (Gough 2003:25). Difference or particularity, he further argued, should be comprehended out of the contradictory development of the general movement (as differentiation of a contradictory totality), rather than as an irreducible and self-subsistent singularity that escapes determination by the motion of the fundamental social forms of capitalist production (Gough 2003:29). As Hudson puts it in a recent appraisal of the state of progressive radical geography, the Marxian "law of value" remains vital to "elucidate the decisive social relationships specific to capitalism and to the contemporary world" (Hudson 2006:379); and, one could add following Harvey's reflections on the Marxian notion of the capital circulation process (Harvey 1996:64–66), as the fundamental general social process that gives unity and content to the different particular moments or differentiations of the movement of modern social life. This obviously includes a phenomenon as concrete as the formation and dynamics of GCCs, whose current study can arguably be shown to suffer from all the shortcomings and risks of empiricism denounced by Neil Smith 20 years ago. This paper thus takes up this intellectual challenge and offers some elements for filling this theoretical gap in the study of GCCs.

An Outline of the GCC Approach

The concept of GCCs aims to capture the novel type of inter-firm linkages that articulate the functional integration of globally dispersed activities that characterise the present era of globalisation (Gereffi 1994:96). As a unit of analysis, the concept of GCC refers to:

> . . . the full range of activities, *including coordination*, that are required to bring a specific product from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution, support to the final consumer, and governance of the entire process (Gibbon and Ponte 2005:77).

As Bernstein and Campling note (2006b:439), the main focus of commodity chain analysis lies in the realm of the relation between individual capitals. In particular, GCC research has attempted to illuminate the different types of international network forms that co-ordinate the division of labour underlying each final product and that cannot be grasped through the traditional binary opposition between "market" and "hierarchy" (Gereffi, Humphrey and Sturgeon 2005; Palpacuer and Parisotto 2003). As Gereffi, Humphrey and Sturgeon note against the predictions of transaction cost approaches and building on the

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insights of network theories, "co-ordination and control of global-scale production systems, despite their complexity, can be achieved without direct ownership" (2005:81). These different ways of articulating complex global production systems are reflected in varied and shifting governance structures.

The concept of governance was originally devised to depict the diversity of authority and power relationships that give overall co-ordination to the division of labour within the commodity chain. Specifically, the governance structure was seen by Gereffi as socially mediating the material interdependency that characterises the "input–output structure" of each GCC (ie the sequence of value-adding economic activities), insofar as it determines "how financial, material, and human resources are allocated and flow within a chain" (Gereffi 1994:97). This was all the more necessary since that input–output structure had a globally dispersed coverage. In turn, this concept of governance is intimately connected with the concept of the "driveness" of GCCs or, what amounts to the same thing, the role of lead firms as "chain drivers". These are the most powerful firms which effectively command the overall commodity chain co-ordination due to their ability to exert control over the other nodes of the network of firms (Bair and Dussel Peters 2006; Gereffi 2001:1622). In this early formulation, the concept of GCC was underpinned by a "strong" notion of chain drivenness (Bernstein and Campling 2006a), in which lead firms strategically exerted their power in order to configure GCCs for the benefit of their own profitability. In this sense, GCC analysis was seen to be a methodology that could shed light on the intrinsic connection between power and profits. According to Gereffi, "profitability is greatest in the relatively concentrated segments of global commodity chains characterized by high barrier to the entry of new firms" (2001:1620). In "apportioning roles to key players" within a network of firms (Kaplinsky 2000), lead firms end up regulating how much profit accrues at each stage of the chain (Gereffi 2001:1620).

Now what is the source or material basis of the relative power of each firm (and in particular that of chain drivers)? The answer to this question leads us to what is another key element of the GCC approach, namely, the related concepts of economic rents and barriers to entry (Kaplinsky 2000:122). Lead firms obtain their exceptional profitability as a result of their capacity to generate different kinds of rents, which are defined as "returns from scarce assets" (Gereffi 2001:1620). These scarce assets, which can be tangible (machinery), intangible (brands) or intermediate (marketing skills), provide the foundation for the emergence of barriers to entry and thereby give rise to those different sorts of extraordinary economic rents: technological, organisational, brand-name, relational and so on (Gereffi 2001:1621). Moreover, these assets provide the basis for the definition of the core competencies that lead firms will

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tend to monopolise (eg R&D, design, manufacturing, marketing and so on).

Although there is no a priori precise node in the chain where a lead firm will tend to be situated (ie lead firms are not necessarily involved in the making of the finished product and can be located upstream or downstream from manufacturing, see Gereffi 2001:1622), early GCC empirical research claimed that there were two main types of commodity chains: producer-driven commodity chains (PDCCs) and buyer-driven commodity chains (BDCCs). The former tend to predominate in capital and technology intensive industries (automobiles, computers, aircraft and electrical machinery) and generally involve a powerful manufacturer that has tight control over a vertically organised network of suppliers consisting of several tiers. Core competencies are usually final assembly and R&D (Bair 2005:159). BDCCs tend to predominate in lighter, labour-intensive industries (apparel, toys, footwear, consumer electronics); their organisation is generally under the command of "big buyers" (designers, retailers, brand-name firms) that monopolise the functions of design, marketing and distribution, and that outsource the whole manufacturing stage (as opposed to components) to a more horizontally organised and decentralised network of small and medium-sized firms (Bair 2005:159).

Subsequently, partly as a response to criticisms of the simplistic nature of the PDCC/BDCC dichotomy and partly as a result of further empirical observation of different and changing configurations of commodity chains, Gereffi and his colleagues came up with a more complex typology involving five different types of chain governance (Gereffi et al 2005).[4] This five-fold typology also reflects the more recent incorporation into the GCC approach of insights from the new economic sociology, with its emphasis on notions like "embeddedness" and "networks".[5] In this new characterisation of types of GCC, governance structures "move along a spectrum that starts with un-embedded 'arms-length' market relations, moves through modular, relational and captive value chains, and culminates in 'hierarchy', which relates to the complete vertical integration of production within a unitary transnational enterprise" (Taylor 2007:534).[6] The constitution of each particular type of commodity chain is a function of three key determinants: the complexity of transactions, the ability to codify transactions, and the capabilities in the supply-base (Gereffi et al 2005:87). In turn, each of the five governance types along the spectrum from market to hierarchy involves increasing degrees of explicit co-ordination and power asymmetry (Gereffi et al 2005:87). In consonance with the new economic sociology literature, this new typology emphasises that the embeddedness of economic transactions in broader social relations leads to the co-ordination of inter-firm networks not only through sheer power relations, but also through "trust" and "mutual co-operation". Still, the

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point remains that in all cases the emphasis lies in the way in which these networks of firms are socially regulated through a certain degree of what GCC theorists call "explicit co-ordination", that is, they are not completely evanescent and impersonal. In other words, linkages between firms in commodity chains are regulated through relatively stable direct (ie conscious and voluntary) social relations.

Now there is no doubt that studies informed by the GCC approach have provided rich empirical descriptions of the functional articulation of particular branches of industry dispersed across the globe. In effect, research stemming from the GCC tradition offers very detailed and informative accounts of the current forms of intra-capitalist competition in the different "commodity chains". However, a closer scrutiny of the foundations of the theoretical edifice of the GCC approach suggests that it does not actually provide a satisfactory explanation of the constitution and dynamics of commodity chains. In the next section, I substantiate this point through a more critical engagement with the concept of GCC with a focus on the foundational contributions to the GCC approach, that is, when it was still explicitly formulated as a theoretical development within the world-systems tradition. As I shall argue, the theoretical difficulties in connecting the particular characteristics of GCCs with the general dynamics of capital as a whole do not only stem from its more recent shift to a meso/micro level of analysis, as reported by Bair (2005) in her survey of the intellectual evolution of the GCC paradigm (through the incorporation of insights from the new economic sociology and management/industrial organisation theory literature). Rather, I argue that those weaknesses can be traced back to the original formulations of the GCC approach, that is, when it was still explicitly concerned with establishing a firm connection between the social constitution of "globally dispersed networks of firms" and the "structural properties" of the world economy as a whole.[7]

The Limits of the GCC Framework

Although rarely noted by commentators, it is remarkable that one of the founding works in the GCC paradigm by Gereffi, Korzeniewicz and Korzeniewicz (1994) explicitly situated the emerging approach broadly within the intellectual lineage of monopoly capital theory; or rather, in what the world-systems approach shared with it.[8] Thus, building on the contribution to the book *Commodity Chains and Global Capitalism* by Hopkins and Wallerstein (1994), the editors of the volume stated that "monopoly and competition are key to understanding the distribution of wealth among the nodes in a commodity chain" (Gereffi et al 1994:2). The argument was that competitive pressures were unevenly distributed along the chain. While innovation or, more generally, the possession of "strategic assets" allowed core-like nodes in the chains to be relatively

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insulated from the forces of capitalist competition, peripheral firms bore the transfer of competitive pressures onto their shoulders (Gereffi et al 1994:3). Accordingly, profitability was said to be distributed along the chain following the relative intensity of competition within different nodes (Gereffi et al 1994:4). Moreover, the possession of strategic assets gave those core firms not only higher profitability (due to greater "market power"), but also the overall power to control forward and backward linkages along the chain.[9]

My claim is that the GCC approach is ill-equipped to explain this phenomenon, which is so central to its very own object of inquiry. In effect, it is to be noted that the above account of the formation and dynamics of commodity chains simply presupposes what needs to be explained. Thus, the differential power among firms to appropriate profits is seen to derive from the capacity of some capitals to generate barriers to entry, which is in turn premised on their relative monopoly over some strategic "scarce asset", that is, one which expresses the capacity to actively participate in the development of the forces of production. But surely the determination of those assets as relatively "scarce" presupposes that other firms within the chain are systematically unable to have their own strategic assets, that is, they lack the magnitude of capital necessary to generate their own barriers to entry. Otherwise, all firms along the chain would have their own "strategic asset", making the possession of those assets cease to be relatively scarce, and leading to the disappearance of the material basis for the differential capacity to command the chain and appropriate higher profits. GCC analysis simply assumes the power differential among capitals and then "explains" the emergence and dynamics of commodity chains on the basis of it as the strategic choice made by lead firms through which they arbitrarily impose the particular conditions for the overall circulation (hence valorisation) of all other capitals along the chain. But although this might be descriptively accurate, it simply presupposes that all other capitals do not have the power to contest that organisational leadership and will therefore have no choice but submissively to accept to valorise at a lower rate of profit. As we can see, this inability to provide a sound explanation of its very object of inquiry has accompanied the GCC approach from its world-systems origins, broadly based as it was in monopoly capital theory.

The rest of the paper argues that the Marxian "law of value" can provide firmer foundations for the comprehension of the nature and dynamics of GCCs. As Marcus Taylor (2007) notes in a recent attempt to conceptualise GCCs from the perspective of the Marxian critique of political economy, this endeavour requires us to rethink the precise relation between those embedded economic activities that GCC research so vividly describes and the more general global dynamics

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of capital accumulation. "Embedded" social relations, Taylor rightly points out, cannot be understood as self-subsistent constellations but as moments in a circuit of capital spanning production and circulation (Taylor 2007:536). More concretely, the fundamental question lies in the connection between the essentially indirect nature of the general social relation that regulates capitalist production, and the varied direct social relations through which the establishment of the unity of the former is eventually mediated at particular nodes of social division of labour. In other words, what needs to be uncovered is the inner connection between the self-expansion of capital on an ever increasing scale through the unfolding of the "law of value" (the content) and the relatively enduring direct social relations between particular individual capitals within a chain, that is, "embeddeness" and "networks" (the form). The problem with the GCC approach in all of its variants is that it does not grasp the relations among individual capitals beyond their immediate appearances. It is thereby unable to uncover the content of the phenomenon under investigation behind its outward manifestations and actually inverts the latter into the very cause of the phenomenon itself. Thus, it sees the constitution of commodity chains as essentially governed by direct social relations of command (or co-operation). This in turn leads to the inability of GCC research to comprehend the underlying unity of the process of capitalist competition and its inner laws and, therefore, to an inability to connect the particular dimensions of GCCs (including the embedded or direct social relations that mediate the material interdependency among its participants) with the general dynamics of the "system as a whole". This connection, I argue below, is precisely what the Marxian "law of value" can help elucidate.

GCCs as an Inner Moment of the Process of Capital Circulation

Some first steps in the direction of recasting GCCs through the lenses of the Marxian critique of political economy have been already made by radical economic geographers. For example, Hudson rightly remarks that to "conceptualise production in terms of GPNs [Global Production Networks, GS] is to do no more—and no less—than to recognize the practical realities of capitalist economies", which are fundamentally "centred upon commodity production, the production of things with the intention of sale in markets, and value expansion via the production and realization of surplus-value" (Hudson 2008:425). However, this is only implicit in the GCC approach and needs to be made explicit by extending that framework "beyond "the commodity" per se and towards the commodity as an embodied form of value (Smith et al 1999). The "biographies" of commodities are in this light the way in which they

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move within and beyond the circuits of individual capitals (Hudson 2001, 2008).

I agree that this is the correct starting point for a Marxian take on the phenomenon of GCCs, insofar as it locates the latter within the general nature of capital as self-expanding value. However, I think that there is still a theoretical gap to be filled by unfolding the precise mediations that connect this more abstract determination of capital with the systematically more concrete level of abstraction at which the phenomenon of commodity chains has to be located, namely, the relations of cross-branch competition between individual capitals (ie capitalist firms). The question that needs to be addressed is why and how the unity of the circulation process of capital is achieved through the characteristic relations between individual capitals that structure commodity chains. Let me expand and reframe this question by firstly looking more closely at the general nature of capital.

One of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor productive unit or legal entity (ie a firm), nor a social grouping sharing common characteristics and interests (ie "business" or "the bourgeoisie"). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes which, in its fully developed form as total social capital, becomes inverted into the very (alienated) subject of the process of social reproduction and its expansion in its unity (Marx 1976:763).[10] Thus, capital is essentially the movement of self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976:723–724; 1978:185). All moments of the human life process thus become inverted into material bearers of the lifecycle of capital or, as Harvey highlights, they become forms assumed by the flow of value in its circulatory process (Harvey 1996:63). Subsumed under the capital form, the alienated content of social life becomes the production of surplus value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976:251–257).

Although this content governs the movement of capital as a whole or as an alienated collective power, the total social capital is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. In

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their simplest form, those cycles can be represented through the well-known general formula of capital.

$$M-C\left\langle\begin{matrix}LP\\Mp\end{matrix}\right.\ldots P\ldots C'-M'$$

where M is money capital, C is commodity capital, P is productive capital, L is labour power, Mp is means of production, – is circulation process and ". . ." represents production process.

More specifically, the concrete form in which individual capitals assert their class unity as "aliquot parts" of the total social capital is the process of formation of the general rate of profit (Marx 1981:298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms. However, the concrete realisation of this inner determination could be mediated under certain circumstances by the establishment of relatively stable direct social relations between certain individual capitals; for instance, relations of hierarchy and power such as those that structure GCCs. The elucidation of those determinate circumstances is precisely what a critical investigation of the social constitution of GCCs should be directed towards. The intellectual challenge, then, is to comprehend the differentiation of the valorisation capacities of individual capitals along the chain as an expression of the global unfolding of the "law of value", that is, through the formation of the general "world market rate of profit" (Bonefeld 2006:51). In the next two sections, I show why and how the direct social relations governing GCCs are concrete mediations in the process of competition through which the formation of general rate of profit—and therefore, the unity of the movement of the total social capital—asserts itself.

Capitalist Competition and the Differentiation of Individual Capitals

In *Capital* Marx develops the inner determinations regulating the competition among individual capitals of different branches of the division of social labour through his discussion of the formation of the general rate of profit and the "transformation of values into prices of production".[11] As Marx argues in those pages, the formation of the general rate of profit takes the concrete form of a tendential equalisation of average rates of profit across the different branches of industry. This would seem to leave us disarmed in the face of the central feature of GCCs that needs to be explained: the configuration of chains with capitals of different profitability and under the overall command of a lead firm that systematically appropriates extraordinarily high profits.

And yet I do not think that this should be the end of the story, a fatal blow for the potentiality of the critique of political economy to

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cast light on contemporary forms taken by global capitalist competition and described in the GCC literature. Drawing on the work of Iñigo Carrera (2003:ch 5) I argue that what Marx provides in those pages is the simpler or more abstract form taken by the formation of the general rate of profit. The affirmation of the unity of the total social capital through the determination of its private fragments as "equally valorised values" (Iñigo Carrera 1995) is further realised in the form of its self-negation, that is, by differentiating their valorisation capacities. Here it is important to emphasise that this process of differentiation does not constitute, as monopoly capital theories (the GCC approach among them) would have it, the absolute opposite of the formation of a general rate of profit as the fundamental law regulating the relation between individual capitals. Instead, it involves a further concretisation of that very same law.[12]

The key to these more concrete determinations, however, are not to be found where Marx explicitly addresses the competition among the multiplicity of capitals comprising the total capital of society. But they can be found several pages later in volume 3 of *Capital*. Specifically, Marx hints at this problem in the context of his discussion of the genesis of capitalist ground rent when he is unfolding the peculiarities of small-scale peasant ownership (Marx 1981:940ff). There Marx unfolds the category of "small capital" and shows that its valorisation is not regulated in the same form as normal capitals. More generally, what Marx effectively offers us in those pages is the basic elements to further develop the determinations of the qualitative differentiation between normal and small capitals which, as shown below, will prove of paramount importance for the explanation of GCCs on the basis of the law of value. While Marx only unfolds those determinations in the specific context of agrarian capital (ie industrial capital valorised in agriculture), the work of Iñigo Carrera (2003:ch 5) insightfully shows that their applicability is broader and can actually be generalised to industrial capital as a whole. Moreover, he draws additional implications from the reproduction of small capitals which, I believe, cast further light on the constitution of commodity chains.

As has been forcefully argued by many Marxist scholars (Shaikh 2006; Weeks 2001), the dynamics of capitalist competition that mediate the production of relative surplus value by the total social capital is not the judicious and orderly social process ideologically presented by neo-classical economics. Rather, it is marked by a fierce warfare that results in the uneven development of the productive forces within and across branches of production (Smith 2008). Individual capitals that cannot keep up with the demands of the competitive battle (essentially and ultimately—though not exclusively—revolving around the increase of the productivity of labour), eventually face bankruptcy and displacement from the market. This is the concrete form that mediates the process of

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concentration and centralisation of capital that Marx emphasised as characterising the dynamics of the accumulation of capital through the production of relative surplus value (Marx 1976:776–777). However, as Iñigo Carrera points out (2003:124), this process does not necessarily take the simple form portrayed by Marx. In effect, the liquidation of individual capitals that are unable to keep up with the scale needed to set into motion the socially normal methods of production (ie to function as normal or average capitals) does not have to be the immediate outcome of their defeat in the competitive struggle. Besides the recourse to other temporary sources of competitiveness like the abnormal extension of the working day or intensification of labour (Clarke 1999), there are still other ways in which they can extend their agony. The key to this expanded lifespan lies in the determinations of *small* capitals that I mentioned above.

In effect, I have pointed out that the valorisation of agricultural small capitals is not regulated by the average rate of profit of normal capitals. Instead, it is regulated either by the value of the means of subsistence needed for the material reproduction of the peasant or, additionally, by the interest paid on the price of land. This differential valorisation capacity can be generalised for all industrial capitals. In this case, only in very extreme circumstances will the rate of valorisation fall down to the equivalent of the wage that the small capitalist receives (i.e., the case of the family business whose owner is on the verge of proletarianisation). More generally, the rate of valorisation of small capitals in non-agricultural branches of production is usually regulated by the interest rate on the liquidation value of their productive assets (Iñigo Carrera 2003:124). In other words, their valorisation capacity is determined by the rate of interest that those capitals of restricted magnitude could yield if they closed down business and were turned into interest-bearing capitals. Accordingly, this rate of valorisation will vary with the specific concrete magnitude of different small capitals, since the aforementioned rate of interest will vary in each case.[13] Small capitals actually constitute a stratification of capitals of different magnitudes, some of which might only slightly differ from normal capitals, to the point of being imperceptible through impressionistic observation (Iñigo Carrera 2003:124). This means that, at first sight, some small capitals can look impressively "big". The point is that they nonetheless do not reach the specific magnitude needed to be turned into normal capitals, that is, they do not reach the "definite minimum of capital [that] is required in each line of business to produce commodities at their price of production" (Marx 1981:843).

The crucial point for this discussion is the following: if, as is likely to be the case, the rate of interest tends to be below the general rate of profit, then the higher costs springing from the smaller scale and/or the obsolete means of production used could be compensated by the lower

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rate of profit. The limit to the survival of small capitals is thereby given by the extent to which the price regulating their valorisation (determined by their cost price plus the interest rate on the liquidation value of their respective assets) manages not to rise above the price of production regulating the valorisation of normal capitals.[14] This strictly determined limit is therefore subject to the general development of the productivity of labour in each particular branch of industry, which in turn expresses the changing pace and forms of production of relative surplus value by the total social capital. Moreover, inasmuch as the concentration and centralisation of capital nonetheless marches forward, the limit for the subsistence of small capitals moves continuously upwards over time. But as long as the pace of the increase of the productivity of labour determines a normal price of production that does not fall below the price that regulates the valorisation of small capitals, the latter can continue accumulating despite their inability to keep up with the development of the capitalist productive forces due to their reduced magnitude.

In fact, if the price that regulates the valorisation of small capitals is actually lower than the normal price of production that regulates the valorisation of normal or average capitals, the latter become effectively excluded from those branches of social production. What we effectively have here is an "entry barrier" for normal capitals, which are unable to compete with smaller capitals that set into motion a lower productivity of labour but which compensate those higher costs through a considerably lower rate of profit. And this has fundamental consequences for the development of the productive forces of social labour. To put it simply, since small capitals are by nature incapable of being at the vanguard of technological development, their reproduction and dominance in whole branches of production acts as a reactionary barrier to the unfolding of the plenitude of the potentialities of the revolutionary transformation of the material conditions of social labour through the automation process.

The reproduction of small capitals has another implication which is crucial for the comprehension of the formation of commodity chains: the release of surplus value by small capitals (Iñigo Carrera 2003:126ff). If concrete circumstances are such that small capitals manage to sell their commodities at a price that stands above the one determined by their specific rate of valorisation but below the price of production of normal capitals, then a potential surplus profit emerges.[15] However, although this surplus profit is borne by the commodities produced by small capitals, their competition over that extraordinary mass of abstract social wealth eventually leads them to expand production and drives their prices down to a level determined by their specific rate of valorisation.

Does this mean that the surplus profit vanishes into thin air? Certainly not. Although it slips through the fingers of small capitals, it ends up in the hands of some of the normal capitals that valorise in directly neighbouring branches of the division of labour and with which they

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relate in the sphere of circulation. Assuming, for the sake of argument, that small capitals are suppliers of inputs for those normal capitals, the latter will benefit from a permanent flow of extra surplus value derived from the purchase of inputs at prices below their normal price of production (ie at a "pseudo" price of production). In turn, this means that those successful normal capitals that end up monopolising the market relation with small suppliers will systematically obtain a higher than normal rate of profit.[16]

What are the implications of all these further mediations in the concrete forms taken by the competition among individual capitals beyond the simple equalisation of the average rates of profit described by Marx? In a nutshell, we can now see that the unfolding of the intra-capitalist competitive battle generates a three-fold differentiation among individual capitals. First, there are normal or average capitals whose rate of profit is tendentially equalised at the level of the general rate of profit. Second, there are small capitals, the losers in the competitive war that nonetheless manage to extend their lifespan through systematic valorisation at a rate of profit below the general one. Third, there are some normal capitals that, through the appropriation of the surplus profit freed up by small capitals, systematically valorise at higher than average concrete rates of profit. I shall term this latter kind of individual capital enhanced normal capital.[17]

In brief, a hierarchy of individual capitals with differential valorisation powers emerges out of the immanent dynamics of competition that mediate the establishment of the unity of social capital as the concrete subject of the exploitation of the collective labourer. Two important points should be emphasised in this regard. First, this is not simply a short-term phenomenon but can reproduce itself over relatively long periods of time. Still, this differentiation cannot persist indefinitely as the aforementioned objective limits to the reproduction of small capitals are eventually reached. The precise forms and timing of its internal dynamics ultimately depend on the pace of the contradictory development of the productive forces of social labour as an attribute of the total social capital, that is, on the concrete forms taken by the production of relative surplus-value on a world scale in the course of capitalist development.

Second, this hierarchical differentiation of capital does not derive from, or result in, the suspension or transcendence of the general law regulating the competition process, that is, the capitalist law of value or the formation of the general rate of profit, through the emergence of a "monopoly sector" that stands above and dominates a "competitive" one. Quite to the contrary, as I hope to have shown: it is the concrete expression of the pure unfolding of the formation of the general rate of profit beyond its simpler forms (as discussed by Marx in *Capital*). The law of value continues to operate with full force across the whole

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capitalist economy. Moreover, the above discussion implies that value is not simply created within each chain or network of firms and then contingently captured in different degrees by each participant, as implied by GCC analysts. Instead, value is created by the living labour of workers in the economy as a whole and appropriated through the objective process of formation of the general rate of profit by each individual capital.

What follows from this is that the power relations among individual capitals are not, as GCC analysts would have it, the cause of their differential valorisation capacities. It is the other way round: because the law regulating the competition process—the formation of the general rate of profit—takes concrete shape through the differentiation of the concrete valorisation capacities of each kind of individual capital, the indirect social nexus among the latter is expressed through unequal or hierarchical relations. This means that although the establishment of the concrete rate of profit of each capital in the chain is mediated by their respective exercise of power in the sphere of circulation (thereby appearing as the simple outcome of those unequal market relations, i.e. as a relation of subordination), it is actually strictly and objectively determined in accordance to the laws of movement of capital as whole.

Rethinking the Nature of Power in GCCs

This latter point bears on a more general question that has recently caught the attention of geographers investigating the dynamics of GCCs, namely, the nature of power in networks of firms (Hess 2008; Rutherford and Holmes 2008; Smith 2003). The debate can be seen as motivated in part by the dissatisfaction with what has been considered as a reified understanding of power in Marxist or structuralist approaches. This allegedly is a view of power as "thing" that can be possessed and used to advance certain vested interests, and which exists in particular, privileged social loci (for instance, in the headquarters of TNCs or in the state) (Marques 2007). It is, as post-structuralists would have it, a "centred" conception of power. In light of the shortcomings of this traditional Marxist view to make sense of the diversity and apparent contingency of power relations in production networks, many geographers have tended to adopt a more "decentred" or "diffuse" view of power as immanent to the singularity of the specific social field in which it is exercised or, alternatively, as a relational effect of social interaction (Allen 2003). The latter view in particular has been highly influential among proponents of the GPN approach who draw on action network theory (ANT) (Coe et al 2008). Finally, some scholars have tried to find a compromise between the two extremes of "structural determination" and "relational contingency" through either a "weak" version of ANT (Castree 2002; Smith 2003) or by recourse to insights

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from critical realism (Marques 2007; Rutherford and Holmes 2008; Sayer 2004).

I believe that the approach developed in this paper offers a perspective on power in commodity chains which, although drawing on the Marxian critique of political economy, differs from what is usually depicted as the Marxist position in the debate, namely, that the dynamics of GCCs or GPNs are directly controlled at will by the (structurally determined) economic authority and power of TNCs, and maybe indirectly through their privileged influence on the policies of a relatively autonomous state (Rutherford and Holmes 2008). More generally, it suggests that the whole terms of the debate on power in commodity chains or production networks might be in need of rethinking. It seems to me that the prevailing understandings of power and domination tend to grasp them, as Postone puts it in relation to what he calls "traditional" Marxism, "in terms of the concrete domination of social groupings or of institutional agencies of the state and/or the economy" (Postone 1998:62). This not only applies to those "structural" approaches that focus on the "idea that we are under the control of a political or economic authority" (Allen 2004:23). Inasmuch as they focus on the concrete immediacy of direct social relations, it also applies to relational approaches as well.

My own approach points to a different understanding of the inner or essential nature of power and domination in capitalism. As Postone (1998:62) notes, what is specific to capitalist domination is its impersonal and abstract character. This is not simply the domination of one kind of actor over another (ie the command of lead firms over the network of suppliers emphasised by structuralist and realist approaches). But neither is it the open relational effect of the contingent mobilisation of resources by actors in a network. Rather, it is the abstract rule of all "actors" by the autonomised movement of the general objectified form of social mediation, namely, value (Iñigo Carrera 2003). As Marx puts it in volume 2 of *Capital*, "the movement of industrial capital is this abstraction in action" (Marx 1978:185). This is not an insight to be upheld only in relation to the more abstract determinations of capitalist society, to be then dropped or somehow restricted when more concrete phenomena like power relations in commodity chains are considered.[18] The "concrete" power that each actor in a commodity chain exercises (both "power to" and "power over") is actually an expression of the "abstract" power that capital exercises over all of them.

This kind of approach does resonate with the Foucauldian view of power as ubiquitous, immanent and with the quality of a self-expanding subject (Kerr 1999:182). In this sense, it is indeed not "structurally" possessed or controlled by anybody. However, while Foucault ignored the question of the social constitution of this abstract form of power, Marx discovered its form determination as capital or self-valorising value, and the content of the latter in the alienated

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mode of existence of the movement of human productive activity (Kerr 1999:182). Thus, although the impersonal domination of capital has no privileged locus or centre, it does have unity and determinate forms of movement or "laws" through which the former is established. The "law of value" in all its complexity captures precisely that form-determined motion of alienated human practice. In its most developed form, this "abstraction in action" achieves unity through the formation of the general rate of profit. The latter is thereby not simply an abstractly economic process determining equilibrium prices, but the form through which the formal inversion of the materiality of the powers of human activity into powers of the objectified social relation acquires its plenitude in the overall movement of social reproduction (Iñigo Carrera 1995). The changing and differentiated "concrete" power relations characterising the governance of GCCs must therefore be grasped as particular mediations in that more abstract alienated general social process of overall circulation of the total social capital, that is, as outward manifestations of the inner workings of the abstract rule of dead over living labour. Thus, they are not to be conceived of as independent, self-subsisting "factors" that externally "modify" or "influence" the operation of the law of value, as happens with all undialectical understandings of the notion of "mediation". Instead, they need to be grasped as necessary modes of motion through which the law of value is further unfolded beyond the strictly "economic" forms springing from the indirect nature of the social relations of capitalist production. In the next section, I show that it is the differentiation of individual capitals engendered by the movement of the law of value that constitutes the general determination of, and gives unity to, the formation and changing configuration of GCCs and their forms of governance. The alleged "fluidity" and "diversity" of power relations emphasised by relational approaches is actually nothing but the outward appearance of the movement of the inner contradictions of the capital form, when grasped at the level of the relations of competition between individual capitals.

Genesis, Structure and Dynamics of GCCs in the Light of the Marxian Critique of Political Economy

After what might have seemed as a long-drawn diversion, let us now sketch out the relevance of the determinations discussed above for the comprehension of the configuration and dynamics of GCCs. Behind the different particular motives usually adduced by scholars for the formation of GCCs (eg taking advantage not only of foreign cheap labour, but also of "organisational flexibility" Gereffi et al 1994:6), I think there is a more general inner content underlying this novel social phenomenon, namely, commodity chains essentially are the social form

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through which certain normal capitals appropriate the surplus value released by small capitals.

The formation of commodity chains is therefore the concrete form taken by the competition among normal or average capitals over the extra surplus value that escapes the hands of small capitals. The deeper immanent purpose and prime mover of the outsourcing of manufacturing is therefore the multiplication of the sources of extra surplus value released by small capitals in the sphere of circulation, as particular functions of the social division of labour that were formerly done "in-house" and thereby actively participated in the tendential equalisation of the rate of profit at the general level, are now carried out outside the immediate reach of that social process. Similarly, "the contractual subordination of suppliers previously linked through 'open market' transactions" (Raikes et al 2000:396) involves the attempt by normal capitals to secure and protect the control over the outflow of surplus value released by particular small capitals. Thus, although it is true that one of the conscious motives for normal capitals to outsource manufacturing is the benefit to be obtained by the employment of "cheap labour" in low-wage locations, this line of reasoning simply assumes that those lower costs will not (entirely) translate into higher profits for contractors but will be appropriated by "lead firms". The determinations of the law of value developed in the previous section explain why this will necessarily be the case: although normal capitals are not the direct employers of those low-wage workers, they nonetheless end up appropriating part of the surplus value that corresponds to their exploitation.[19] The imposition of strict conditions for chain membership (eg the fixing of low prices for the suppliers' output) is the concrete form that mediates this transfer of surplus value from small to normal capitals. The same could be said of "organisational flexibility" which, as Raikes, Jensen and Ponte highlight, tends to be flexibility for the key agent in the chain (2000:396). From the perspective of the organic unity between the production and circulation of capital, "organisational flexibility" actually entails the optimisation of the overall turnover structure of normal capitals at the expense of higher circulation costs for all other capitals in the chain (through, for instance, accumulation of inventories or unfavourable conditions of commercial credit). More generally, the transfer of surplus value in the chain will always be mediated through the establishment of determinate conditions of turnover for each participating capital, since it is out of the whole cycle of valorisation (ie production plus circulation) that their respective concrete annual rate of profit emerges.[20]

To sum up, the geographically dispersed networks of firms that constitute GCCs are a concrete instantiation of the differentiation of capitals that mediates the establishment of the unity of social production through the formation of the general rate of profit. However, since that

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differentiation is necessarily mediated through the concrete specific relations established in the process of exchange of commodities between determinate capitals of varying magnitudes and valorisation capacities, the indirect relations of inter-branch competition end up taking the form of their opposite: direct relations of command (or maybe co-operation, see below).

The general determination of both the composition and governance structure of GCCs also follows from the differentiation of industrial capitals outlined above. Thus, although varying in its specifics with the particularities of each GCC (which can only be captured through detailed empirical research), it seems reasonable to suggest that all commodity chains generally comprise at least three qualitatively different kinds of capitals: enhanced normal capitals, normal capitals and small capitals. The peculiarities of the governance structure will surely vary according to the composition of the chain. While relations of command/subordination will tend to prevail in nodes where exchange relations between the normal and small capitals dominate (more "captive" forms of governance), more horizontal or "co-operative" relations will tend to prevail among normal capitals and, probably, also between enhanced normal capitals and normal capitals, or between small capitals ("modular" or "relational" governance structures). The simple reason for this is that hierarchical relations are more likely to be the concrete mediating form involved in the appropriation of an extraordinary surplus value freed up by small capitals. The "lead firm" or "chain driver" in particular will most certainly be a normal capital that, on the basis of the concrete particular circumstances and industrial trajectory of each chain, has found itself in a better situation to act as the key co-ordinating agent.[21] From that position, it will therefore be able to capture the surplus profits freed by small capitals within that chain and become an enhanced normal capital, or the strongest among them if there are other normal capitals that successfully manage to make a claim over those extraordinary profits flowing out of small capitals.

Take, for example, the case of the apparel industry until the mid-1990s, one of the most extensively researched GCCs (Bair and Dussel Peters 2006; Gereffi 1999; Gereffi and Memedovic 2003) and usually taken as an emblematic case of BDCC. Simplifying slightly, there are three main players in this particular chain: "big buyers" (branded marketers, retailers and branded manufacturers), garment producers and textile manufacturers. While textile manufacturers in the United States are large firms that use highly automated labour processes (Gereffi 1994:103), garment manufacturers are small, labour-intensive factories (Gereffi 1994:102). "Big buyers", for their part, are generally capitals specialising in the design, marketing and branding of commodities and having the overall leadership in the chain. They include fashion-oriented companies, department stores, brand-named companies, mass

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merchandisers and discount chains (Gereffi 1994:112). As Gereffi reports, developments since the 1980s meant that garment manufacturers were being "squeezed" from both ends of the apparel commodity chain by textile companies and retailers (Gereffi 1994:103). The specificities of this dynamic seem to indicate that while these two kinds of capital were normal capitals, garment producers were small capitals that released some of its potential surplus value in the sphere of circulation, which therefore became available for appropriation by the former. The role of big retailers as "chain drivers" can only mean that they were capturing the larger amount of that extraordinary surplus value through the establishment of the overall conditions of circulation of capital within the chain thereby becoming the strongest enhanced normal capital. However, the fact that textile producers were placing greater pressures on garment manufacturers for larger orders, high price of inputs and favourable payment schedules (Gereffi 1994:103), that is, shaping their turnover structure, suggests that they might have been participating in the appropriation of part of that extra surplus value as well.

However, the situation in BDCCs has more recently changed with the emergence of giant transnational contractors in East Asia. As Appelbaum (2008) shows, although this trend has been more pronounced in industries such as electronics, it has developed in the apparel and footwear sectors as well. Not only do these giant contract suppliers operate large modern factories (in contrast to the sweatshops of small contractors emblematic of the early phases of the apparel GCC), but they have also taken over many of the pre- and post-production functions previously centralised by "big buyers", including design, warehousing and control over logistics (Appelbaum 2008:73). According to Appelbaum, these dynamics seem to signal that a power shift in the apparel GCC has occurred, with the asymmetry between "big buyers" and contractors at least partly redressed (2008:71, 81). In effect, evidence seems to indicate that these giant contractors increasingly are in a better position to negotiate prices of output with giant retailers (2008:81). Interestingly, Appelbaum notes how these changes away from more "captive" governance structures comprising a highly decentralised network of small suppliers have been a largely unexpected development (2008:71). However, from the Marxian perspective outlined above, those recent transformations of BDCCs are far from unexpected and can be read as a predictable expression of the way in which the objective limits to the reproduction of small capitals (hence of more captive network forms) are reached. On the one hand, we have seen that the tendency for the concentration and centralisation of capital ultimately undermines the competitive edge of small capitals by increasing the productivity of labour of normal capitals to the point where their price of production sinks below the price that regulates the valorisation of the former. On the other hand, in light of the particular

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characteristics of giant suppliers described by Appelbaum, it seems plausible to consider those contractors as normal capitals that, as an expression of the previous point, have eventually managed to enter into (or grow within) branches of production formerly dominated by small capitals.[22]

Thus, the insights gained through the re-framing of the particularities of each GCC in the light of the more general determinations of the differentiation of the total social capital can provide more robust general foundations for the comprehension of this concrete social form. Specifically, this framework can adjust more flexibly to some of the empirical objections to the original formulation of the general features of governance structures that have been put forward in the literature. Raikes, Jensen and Pontes (2000:397–399), for example, have disputed the idea of single chain driver (contemplating the possibility of "multi-polar driving" or of varying degrees of "drivenness" in different nodes of the chain). Ponte and Gibbon (2005:5–6) have also taken issue with the more recent five-fold typology developed by Gereffi, Humphrey and Sturgeon, claiming that the different types of governance do not necessarily reflect the overall drivenness of a chain but can exist at different nodes of the same commodity chain. These objections to the over-simplistic original portrayal of the "governance structure" of commodity chains can be easily and more rigorously addressed armed with the determinations of the differentiation of individual capitals and the release of surplus value by small capitals that I discussed earlier. "Multi-polar driving" would simply signal the presence of more than one normal capital enhancing its accumulation via the appropriation of an extra surplus value from small capitals. Similarly, the existence of varying "degrees of drivennes" or of diverse "governance modalities" in the various links of a chain, would express the fact that there are at least three qualitatively different kinds of capitals of stratified valorisation capacities (enhanced normal capitals, normal capitals and small capitals) and, above all, that the category of small capital includes a wide spectrum of concrete magnitudes and rates of valorisation. The kind of exchange relations that mediate that process of differentiation in the sphere of circulation will differ accordingly. This greater complexity of "actually existing" GCCs and their dynamics of change can therefore be grasped on the basis of rigorous and clear criteria reflecting the general qualitative determinations of the different kinds of capitals that emerge out of the system-wide laws of motion of capital accumulation. By contrast, the GCC approach can only accommodate these variations by continuous ad hoc redefinitions and refinement of previous typologies based on inductive generalisations from particular commodity chains, that is, by permanently chasing a moving target. This inability to comprehend the immanent transformative dynamics in GCCs lies, again, in the inability to connect the particular determinations of each chain

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with the organic unity of the contradictory movement of capital as a whole through the unfolding of the law of value. As Harvey (2006:153) remarks, the organisational arrangements of capitalism are nothing but expressions of the workings of the law of value and, as such, they are more developed carriers of those very same contradictions. In this sense, it is in their nature to be subject to chronic instability and change, although always as concrete (self-negating) forms in which the general tendency for the concentration and centralization of capital ultimately asserts itself.

Conclusion

This paper has critically examined the GCC approach and the nature of GCCs. As I hope to have shown, GCC research offers a very useful empirical investigation of contemporary trends in the forms of global capitalist competition. However, it fails to root this novel phenomenon in the general laws of motion of capital as a whole. As a consequence, I have argued that the GCC approach cannot actually provide a firm explanation of the constitution and dynamics of its own object of inquiry. These shortcomings are not to be found in the more recent GCC research only, with its characteristic industrial organisation/management theory turn. It can even be traced back to its origins in the world-systems school.

Those difficulties can be overcome by re-considering GCCs in the light of the Marxian critique of political economy. The paper has shown that the latter can offer valuable insights into this social phenomenon by uncovering the way in which this industry-specific phenomenon mediates the underlying unity of the system-wide dynamics of the total social capital. To paraphrase Marx, the critique of political economy can illuminate the way in which this novel particular form taken by the competition among individual capitals across branches of production dispersed across the globe "force the inherent determinants of capital upon one another and upon themselves" (Marx 1973:651). In so doing, it can posit GCCs on more robust foundations, uncovering not only the true underlying content behind their emergence and initial configuration (the differentiation of industrial capital and the release of surplus value by small capitals in the sphere of circulation), but also the dynamic principle underlying their subsequent transformation and evolution away from more "captive governance structures" with the rise of a global supply base of giant contractors (the ways in which the tendencies for the concentration and centralisation of capital undermine the basis for the continued reproduction of small capitals).

This critical appraisal of the GCC approach has nonetheless been incomplete. For reasons of space, I have limited the discussion to the "network" aspect of GCCs at the expense of hardly addressing their global character and, therefore, their territorial dimension. This

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latter dimension cannot be ignored when attempting to provide a comprehensive assessment of this form of capitalist competition on a world scale. In turn, this global dimension bears on the question of the contemporary forms of the international division of labour. But the determinations behind the latter cannot be grasped by simply looking at the relations of competition among individual capitals. Rather, it requires that we descend into the "hidden abode of production" to uncover the modes taken by the global extraction of relative surplus-value by the total social capital through the exploitation of the global working class.[23] And it is by considering these two aspects in their unity that the implications of this theoretical critique can be fully appreciated. Needless to say, I cannot elaborate at great length on this in these concluding remarks (see Starosta forthcoming for a more extended discussion). Still, the discussion of the "organisation fix" provided in the paper already points to some implications for the reformulation of the GCCs framework for the study of particular global industries.

So how does one translate the theoretical critique outlined in this paper into the development of a sounder empirical research on GCCs? At the merely descriptive qualitative level there is not much to be advanced beyond what GCC analysts themselves have already recognised and addressed as limitations of earlier studies utilising the framework. It is precisely at that level where the strength of the approach resides.[24] However, there are other dimensions that could still be strengthened. First, there is a need to rethink the terms for the construction of typologies. The latter should not be based on inductive generalisations out of the particular direct social relations that mediate the exchange of capitalist commodities. Instead, I think that the relevant criterion for the identification of agents and their relations essentially lies in the qualitative differentiation of individual capitals outlined above. It is this differentiation only that can shed light on the real meaning and significance of those different "explicit forms of co-ordination" in the various nodes of the chain as mediating the circulation of value along the latter.

This leads to the second point: the issue of quantitative evidence of profitability. For there is no other way of unequivocally identifying whether an individual capital is small, normal or enhanced than through a rigorous estimation of the concrete annual rate of profit (see endnote 9). This actually reflects the nature of capital itself. As qualitatively undifferentiated masses of values in process of expansion, individual capitals know no other difference than quantitative ones; or, better stated, they can only express qualitative differences through quantitative ones. Thus, the only synthetic expression of the differentiation of individual capitals lies in the concrete form taken by the degree of their valorisation capacity, that is, the annual rate of profit. In turn, this estimation can only be done on the basis of a detailed reconstruction of the specific

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forms taken by the turnover circuit of each capital as they flow through the different phases of their valorisation process.

A reformulated GCC empirical analysis would then consist in the reconstruction of the modalities in which the turnover circuits of the different chain participants intertwine in order to then uncover the diverse mechanisms through which some capitals transfer surplus value to others in the chain. Note, however, that this will not only be reflected in the prices at which commodities are exchanged (although that is very likely to be one of the most general and visible mechanisms), but in the establishment of all sorts of conditions that affect the circulation times and costs of each capital and, as a consequence, their respective concrete rates of profits. As mentioned above, the concrete profitability yielded by individual capitals emerges out their overall circulation process. Thus, any circumstance affecting the forms in which each capital passes through its different circulatory phases will be reflected in their profitability and accumulation capacity. These circumstances may include, among others, commercial credit conditions, differential access to financial credit, unfavourable storage costs, technology transfer royalties, specific tax credits or state subsidy schemes, and even most performance requirements for suppliers such as quality control criteria and the establishment of general standards, codes of conduct, etc. All these circumstances are bound to affect the times and costs of circulation of individual capitals, and as long as their negative effects on the unfolding of the turnover circuit are not compensated through higher prices, they entail a differentiation of concrete rates of profit. Consequently, they are all modalities of the transfer of surplus value between individual capitals in a chain that I unfolded in more abstract terms above. In this sense, the significance of the different "embedded" social relations and modes of governance established within each node should fundamentally be grasped as mediators in the uneven allocation of circulation conditions for the different participating capitals in the commodity chain. It is in relation to the intertwining of the individual turnover circuits of capitals qualitatively differentiated along the lines discussed earlier that those direct social relations matter.

A similar point could be made about the need to bring other actors into GCC analysis, a point forcefully made by many scholars both within that tradition and from related ones such as GPN research (Gibbon et al 2008; Henderson et al 2002). I could not agree more with this, although the crucial question remains as to how to conceptualise the role of those other actors in a commodity chain. Indeed, inasmuch as the turnover conditions of individual capitals are affected by a myriad of circumstances that cannot be reduced to those simply established through the action of direct members of a GCC, all actors that one way or another shape the turnover circuits of individual capitals in a chain need to be included in the picture. In this sense, it is worth

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highlighting the crucial role of credit, both commercial and financial, in the differentiation of turnover conditions. And this means the need to pay more attention to the role of financial institutions as actors in GCCs; which, incidentally, are noticeably absent in most GCC literature.

Another of these central actors is of course the state. Yet, the significance of state policies, at least as far as the organisational dimension of GCC analysis is concerned, lies in the ways in which they mediate but, once again, do not determine, the process of differentiation of capital through which the formation of the general rate of profit asserts itself. In other words, state policies are relevant as concrete forms taken by the circulation of value along the chain. Value-as-capital is not an inert substance waiting out there to be captured by the different actors in a chain on the basis of their respective possession or exercise of power (including that to "influence" or "shape" state policy), but it is the very subject whose circulatory movement takes the form of those power relations and state policies. And it is because the overall circulation of the total social capital takes the concrete form of the differentiation of the valorisation capacities of individual capitals that state policies have a differential impact on the conditions of circulation of each kind of capital. For instance, state policies promoting the formation of university–industry research networks in the Canadian automotive industry that favour OEMs (Original Equipment Manufacturers) and large parts suppliers over so-called SMEs are not simply the (externally related) cause or consequence of the asymmetrical relations of power to "capture value" in the chain (cf Rutherford and Holmes 2008). Instead, they are the concrete mediating form that gives course and reproduces the process of differentiation of valorisation capacities objectively stemming from the unfolding of the "law of value". What would need to be investigated is the precise way in which those policies affect the turnover circuits of those capitals to see how that impact is reflected on their respective rates of profit.

Without any doubt, this reformulation of GCC research would be very laborious and would require a huge (collective) effort. In particular, the practical difficulties involved are likely to be considerable (not least in terms of availability and accessibility of relevant information). Unfortunately, it is probably the only way to go beyond the mere description of GCCs and make progress towards a real explanation and comprehension of this most salient phenomenon in the contemporary configuration of the world market which is grounded in the organic unity of the movement of the total social capital. The need for stronger theoretical foundations for empirical GCC research does not stem from an abstractly "scientific" interest but arises from what, ultimately, should guide the work of radical intellectual labourers, namely, the progressive practical transformation of the world. If GCCs matter as an object of

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inquiry it is because their constitution and dynamics can affect our existence as social subjects in capitalism. But, more importantly, they matter because we can be active forces in their transformation through our conscious political intervention. Yet, it is only through an inquiry that goes beyond the description of the immediate appearances of social forms that we can discover the plenitude of the objective transformative potentialities immanent in them.

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Endnotes

[1] For a detailed account of the evolution of the GCC approach, see Bair (2005). A more concise presentation of the current state of the art can be found in Gibbon, Bair and Ponte (2008), while the collection of essays in Bair (2009) offers a broader and more in-depth overview. In this paper I use the term GCCs as a shorthand expression that includes the more recent re-labelling of the approach as global value chains.

[2] Related approaches include international production networks (Borrus, Ernst and Haggard 2000), global production networks (GPNs) (Henderson et al 2002) and the French *filière* approach (Raikes, Jensen M F and Ponte 2000). Although originally emerging in economic sociology, the GCC approach has been widely adopted within the discipline of economic geography (Birch 2008; Hartwick 1998; Hughes 2000, 2006; Hughes and Reimer 2004; Leslie and Reimer 1999). However, given its more explicit engagement with the spatiality of globalised networks of firms, the GPNs could be said to be more influential. For detailed comparative discussions of GPNs and GCCs, see the contributions by Bair and Hesse to the recent special issue on GCCs in the journal *Economy and Society* (Bair 2008; Hess 2008). In a nutshell, two crucial differences can be identified between the GCC and GPN approaches (Coe et al 2008:272). First, the GPN approach rejects the linear conception of inter-firm relations entailed by the "chain" metaphor, trying instead to incorporate all kinds of networks configurations. Secondly, GPN research encompasses all relevant sets of actors and relationships, while GCC analysts tend to focus on the governance of inter-firm transactions only. A thorough assessment of the GPN approach exceeds the scope of this paper. However, the latter shares with GCC research the conception of the immediacy and particularity of direct social relations in production networks as exhausting the content of the phenomenon under investigation. In this sense, I believe that critique in this paper could be extended to the GPN literature as well.

[3] See Bernstein and Campling (2006a, 2006b) and Taylor (2007) for critical discussions of the GCC approach as a tool for development research from a Marxist perspective. For a non-Marxist assessment, see Dussel Peters (2008), who provides a more sympathetic but still critical appraisal of the GCC approach as a framework for the study of development.

[4] See Sturgeon (2002) on recent developments in the electronics industry that contradict that dichotomy, and Raikes, Jensen and Ponte (2000) for a general appraisal of the limits of Gereffi's original formulation.

[5] See Peck (2005) for a thorough critical assessment of the "new economic sociology".

[6] Bair (2008) argues that this recourse to network theories is more rhetorical than substantive since Gereffi, Humphrey and Sturgeon actually use a more expansive notion of network than the one derived from the new economic sociology.

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[7] In the recent meso/micro turn the idea of a general economic determination of "value creation and capture" is entirely jettisoned and replaced with an account explicitly and entirely based on the pure contingency of immediate direct social relations. One could argue that this sort of analysis represents the outright capitulation before the need to give a solid foundation to the formation of GCCs based on the general "macro" dynamics of the capitalist economy.

[8] For an explicit statement of the connection between the world-systems approach and monopoly capital theory, see Hopkins (1977). In particular, Harvey rightly notes that the latter's fundamental idea that the increasing centralisation of capital with the development of capitalism leads to the moderation of competition and to the undermining of the tendency for the formation of a general rate of profit is deeply problematic. See Harvey (2006:141–144).

[9] Two points should be mentioned in relation to the question of empirical quantitative evidence of differential profitability in GCCs. First, as Raikes, Jensen and Ponte note (2000:403), despite the claims about the hierarchy of profitability along the chain, GCC analysts seldom demonstrate with rigorous quantitative empirical evidence that the profits in some parts of the chain are higher than in others. Second, the kind of quantitative evidence generally provided based on share of value added in each node of the chain (cf Kaplinsky 2000) is not a meaningful measure of each individual capital's valorisation capacity (ie their profitability), and falls into the mislabelling of the rate of profit about which Hopkins and Wallerstein (1994:18) complained in their seminal paper on commodity chains. But neither are profit margins, the measure preferred by Raikes, Jensen and Ponte (2000:403). Profit margins as a measure of the individual capital's concrete rate of valorisation obliterate the distinction between advanced and consumed capital and are therefore impotent to capture the organic unity of the rotation of capital and its effects on profitability (razor thin margins can yield a high rate of profit if compensated by a high turnover speed). The only meaningful synthetic expression of the rate of valorisation of individual capitals—and hence of their respective accumulation power—is the annual rate of profit, measured as the magnitude of appropriated surplus value in relation to the total capital advanced (different from the total capital consumed in that period). Although it certainly involves a laborious and difficult process (accessibility of information is of the essence here), it is not impossible to estimate empirically as Raike, Jensen and Ponte (2000:403) claim. See Iñigo Carrera (1998) for a model to estimate the concrete rate of profit of individual capitals based on the determinations of the turnover circuit of capital, which also develops a critique of the different mainstream attempts at measuring profitability.

[10] Here I understand the term "social capital" in the specifically Marxian sense just specified above. Thus my use of the term should not be confused with the currently fashionable concept of social capital in mainstream social sciences. See Fine (2001) for a Marxist critique of the latter.

[11] Prices of production of commodities can be resolved into cost prices (ie the cost of "inputs"—labour power and means of production, including the depreciation of fixed capital), plus the normal profits of capital (the average rate of profit on the total capital advanced for its production). See Marx (1981:257–258).

[12] One could see this as another instance of the dialectic of equalisation and differentiation that characterises capitalist production discussed by Harvey (2006:441–442) and Smith (2008:ch 4).

[13] The rate of interest will vary with the magnitude of the money capital being lent out for two major reasons. First, the rate of interest is entirely dictated by the balance of forces between supply and demand of loan capital or the competition between lenders and borrowers (Marx 1981:477, 484–489), with the force of individual lenders positively affected by the magnitude of their money capital offered on the market. Second, the

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costs of the management of interest-bearing capital by banks proportionally decrease with the increasing magnitude of capital.

[14] This is the underlying general reason for the competitive success of the so-called "small and medium enterprises" (SMEs). See You (1995) for a general survey of small firms in conventional (both mainstream and heterodox) economic theory, whose varied explanations contrast with the one offered here.

[15] This surplus profit, it is to be emphasised, does not arise out of the active development of the productive forces of society. Quite to the contrary, it is the product of its very negation through the reproduction of small capitals.

[16] This begs the question of why this surplus profit is "retained" in those neighbouring branches of production instead of being eroded through the regular competition of normal capitals over its appropriation (thereby transferring the surplus profit over to other branches further downstream in the social division of labour until reaching individual consumption in the form of cheaper means of subsistence). However, the peculiar source of this surplus profit means that normal capitals cannot compete directly over its appropriation (Iñigo Carrera 2003:127–129). Inasmuch as this surplus profit does not derive from an increase in the productivity of labour of the early innovator but from the purchase of abnormally cheap inputs, the expansion of production resulting from the attempt by normal capitals to appropriate it would not confront any organic limit that would confine the concomitant fall of market prices to the new lower level of the aforementioned "pseudo" price of production (since that expanded output would not be regulated by changes in socially necessary labour for the production of those commodities). But this would entail a fall of the rate of profit of those normal capitals below the general level, ie their self-annihilation as normal capitals. This renders the immediate competition over this peculiar surplus profit impossible, thus blocking its transfer further downstream the division of labour. Normal capitals do compete over it but only indirectly, through the regular competition over surplus profits from innovations, which in this case includes the control of the market relation with small capitals as a "bonus prize".

[17] Here I am focusing on the determinations of the differentiation of individual capitals which are generally applicable to all kinds of commodity chains. In this sense, I am leaving aside a further differentiation of industrial capitals that springs from the more recent de-coupling between innovation and manufacturing in industries such as electronics and which has given rise to the constitution of the so-called "modular" or "turnkey" production networks (Lüthje 2002; Sturgeon 2002). As I have argued elsewhere (Starosta forthcoming), this phenomenon expresses a rather different content than the qualitative differentiation of industrial capitals stemming from the extended reproduction of small capitals.

[18] In my view, this is the tension running through Castree's attempt to marry a weak version of ANT and the Marxian critique of political economy (Castree 2002). If it is the movement of value that gives formal and substantive unity to commodity networks (2002:140), then it is not clear to me in what sense can those networks not be fully governed by the "abstraction in action" characterising the capital form (2002:139). Castree can only apparently resolve this tension by postulating an exteriority to the capital relation, a conceptual move which I see as deeply problematic, both theoretically and politically (Starosta 2004). One could argue that this recourse to a residual exteriority was already latent in Castree's idiosyncratic readings of both Postone (Castree 1999) and Harvey's earlier works (Castree 1995). These authors are interpreted as putting forward far weaker claims about capital's totalising force than, I think, they actually (and correctly) are.

[19] As Iñigo Carrera points out, despite being the ultimate beneficiaries of the "over-exploitation" of the workforce of small capitals, "lead firms" can hypocritically present

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themselves as the champions of the now fashionable "corporate social responsibility" (2003:63).

[20] Although not unproblematically (Gough 2004), Harvey's *Limits to Capital* has the merit of emphasising the importance of Marx's discussion the turnover of capital at a time when few scholars were engaging with Volume 2 of *Capital*.

[21] This means that there is no general formal determination that can account for the particular firm that acts as "chain driver" other than being a normal capital (when there is more than one of them in a GCC). The role of empirical research is precisely to specify that general determination for each particular chain and it is here where the GCC approach provides valuable information.

[22] Another possibility is that they are still small capitals but that the specific magnitude of money necessary to be turned into a small capital has increased as an expression of the constantly upward-moving limit for the reproduction of the lower end of the spectrum that constitutes that qualitative category. Again, only rigorous quantitative evidence of profitability can be decisive on this.

[23] For discussions of the international division of labour and commodity chains that bring the perspective of workers into the picture, see Wills and Hale (2005) and Cumbers, Nativel and Routledge (2008).

[24] See, for instance, Gibbon's (2008) refinement of the description of governance forms, entry barriers and upgrading dynamics of the clothing commodity chain.

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A missing link in the Agrarian Question: the role of ground-rent and landed property in capital accumulation. The case of Argentina (1993-2019)

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A missing link in the Agrarian Question: the role of ground-rent and landed property in capital accumulation. The case of Argentina (1993-2019)

Abstract

This article examines the relevance of ground-rent and landed property for the economic and political forms of capital accumulation in Argentina. This specific focus on capitalist development in Argentina is more broadly framed as a theoretical intervention within recent debates on Agrarian Marxism, which addresses the major issues under controversy through the lenses of an original methodologically-minded approach to the Marxian critique of political economy. Empirical quantitative evidence for the theoretical discussion is offered through the presentation of an estimate of ground-rent and its appropriation by landowners between 1993 and 2019.

Keywords: Agrarian Marxism; Landowners; Ground-rent; Recovery of surplus value; International division of labour; Latin American capital accumulation.

Introduction

The recent special issue of JPS edited by Levien, Watts, and Hairong in 2018 (V°45, N°5-6) offered an up-to-date and wide-ranging heterodox reconstruction of "Agrarian Marxism". Indeed, the rich diversity and insightfulness contained across the articles, attests to the relevance and vitality of this theoretical program for the comprehension of the contemporary dynamics of agrarian change in the modern world system (Levien, Watts, and Yan 2018, 856). Yet, the editors themselves note that although those contributions pointed the way beyond the impasse that the old debate between Marxists

and “populists” had reached, there are themes and regional perspectives which, although they should undoubtedly be part of this renewed research agenda, were not covered in the volume. Against this backdrop, the aim of this article is to contribute to this lively debate within Agrarian Marxism from two angles. First, we would like to bring to the fore what we feel were important absences in the theoretical and methodological discussion. Secondly, we intend to redress the regional imbalance by focusing on the role and dynamics of agrarian production in capitalist development in Latin America; a region which was only covered in Purcell´s (2018) thought-provoking research on cocoa production and global value chains in Ecuador.

The first two sections examine certain methodological and substantive issues which, we believe, have not been thoroughly addressed either in classical or contemporary controversies within Agrarian Marxism. In the first one, we explore the social determinations of the “peasantry” on the basis of a “systematic-dialectical” approach to the Marxian critique of political economy. This categorial re-examination of this classical agrarian question will allow us to reframe the “peasant” as a social subject fully-constituted by the unfolding of the law of value. Specifically, we argue that they are socially determined as personifications of a small capital, a category which was only hinted at by Marx in Capital, but which is crucial not only to grasp the peasantry but also to comprehend their resilience in agrarian production. In addition, an upshot of this discussion is to throw into relief the absence in most controversies of proper insight into the social determinations of modern landed property and, therefore, of landowners as a class belonging in the very nature of the capitalist mode of production.

Thus, the second section moves to the presentation of the determinations of ground-rent accruing to landowners, with a particular focus on debates over the source of surplus-value that constitutes this specific form of social wealth. The controversy over the nature and different types of ground-rent had gained prominence in the late 1970s and early 1980s, mostly among political economists and with a rather "Marxological" imprint (Ball 1977; 1980; Fine 1979; Itoh 1978). More recently, interest on this issue has resurfaced mainly among radical geographers, albeit with a focus on urban rents rather than agrarian ground-rent (cf. Manning 2021). Yet, we think that the current reconstruction of Agrarian Marxism (Bernstein 2006; Akram-Lodhi and Kay 2010a, 2010b) underestimates the significance of this social form of material wealth appropriated by landowners. In order to bring to view its contemporary relevance for the agrarian question, the discussion shall therefore look at the realisation of the determinations of ground-rent through the movement of the necessarily antagonistic relation between the personifications of capital and modern landed property.

These more abstract theoretical and methodological insights are concretised in the third section, in which we draw their implications for another longstanding debate within agrarian Marxism, namely, that of the nature of intersectoral flows of value between agriculture and industry in the capital accumulation process. More concretely, we shall examine the fundamental role of global flows of ground-rent in the constitution of the potentialities and dynamics of the specificity of capitalist development in Latin America. In this way, the article also hopes to contribute to shed light on the form in which this region of the "global south" participates in the changing forms of the international division of labour that structure the capitalist world market.

The fundamental ideas are brought together in the fourth section, which sketches out an empirical case study of the evolution of the magnitude of ground-rent appropriated by landowners in Argentina between 1993 and 2019. In the first place, this quantitative analysis should bring to light both the significance of global ground-rent flows in the highly contradictory dynamics of the accumulation process in this national space and that of the portion of social wealth that ends up in the pockets of landowners. In the second place, this quantitative analysis will allow us to address the way in which these economic determinations have been expressed in the ideological and political forms assumed by the subjectivity and action of the personifications of landed property in Argentina during the period under study.

1. The contemporary relevance of the "classic" agrarian question

In the last decades Marxist scholars seem to have reached a consensus over the resolution of the "classic" Agrarian Question, which is now considered settled and ramified into new and varied agrarian questions (Bernstein 2006; Akram-Lodhi and Kay 2010a, 2010b). Forged towards the end of the 19th century, the first version of the agrarian question centred on the "existence in the countryside of a poor country of substantive obstacles to an unleashing of the forces capable of generating economic development, both inside and outside agriculture" (Byres 1991, 9). In particular, Marxists tended to regard two related phenomena as politically significant and/or theoretically enigmatic. On the one hand, the resilience of "peasants", which were seen as social subjects that differ from those that should express the full development of the capitalist mode of production. On the other hand, the problem of the peasants´ capacity to generate an "agrarian surplus" that could foster the industrialisation process. In sum,

the classic agrarian question boiled down to the specific form of resolving the agrarian transition to a full-fledged capitalist agriculture (Byres 1996).

In broad terms, it could be argued that the varied Marxist responses to this problematic revolved around the further development or articulation of the foundational works of Kautsky (1988), Lenin (1964), Chayanov (1986) and Preobrazhensky (1965). The former two authors had highlighted the existence of inherited historical barriers to the entry of capitalist firms in agrarian production, which should eventually vanish with the evolution and consolidation of capitalism. Chayanov, by contrast, had stressed the existence of a specific mode of production or set of social relations that characterised the agrarian sector, which would thereby not necessarily tend to disappear as capitalism developed. Lastly, Preobrazhensky oriented his analysis to the role of peasants in the industrialisation process, focusing on the intersectoral flows of value between agriculture and industry.

In more recent times, these different responses have seen a wider and deeper integration, thus leaving behind the apparent opposition among the various traditional approaches, particularly with respect to the notion of the peasant as a social subject who did not belong in the essential character of the capitalist mode of production (Bernstein 1986; Gibbon and Neocosmos 1985). Bernstein´s (1988) pioneering approach probably is one of the most elaborate in this regard. In his view, the peasant must be explained as a social subject "exclusively constituted […] through the basic social relations and dynamics of the capitalist mode of production" (Bernstein 1988, 259), and must be grasped through the specifically-capitalist category of the "petty commodity producer". Moreover, Bernstein added, the "spaces" or "places" for petty commodity production "within the social division of labour are continuously created as effects of the law of

value in capitalist competition, accumulation, and concentration" (Bernstein 1986, 18–19) and, consequently, "petty commodity production will exist as long as capitalism exists" (Bernstein 1986, 25). However, rather than systematically unfolding the "form-determinations" of competition, accumulation and the concentration of capital that engender petty commodity production, Bernstein just pointed to a set of external circumstances, such as "conditions of access to key resources", the configuration of "markets", "nature" and "government policies", among others (Bernstein 1994, 56). In other words, according to this approach, the limits and potentialities of petty commodity production cannot be immanently derived from the general determinations of the "laws of movement of capital". Instead, Bernstein considered that this phenomenon can only be examined at a very concrete level of research, since at stake are processes which "are always the effect of particular conditions of competition and class struggle requiring concrete investigation" (Bernstein 1988, 264).

Thus, in both the classic controversies and their more recent reception, the agrarian question was essentially conceived of as a problematic of historical transition between modes of production or more narrowly focused on the problematic of the persistence of the peasantry. Either way, the capitalistic social determinations of landowners as a class have remained for the most part overlooked.[1] In this context, it comes as no surprise that the specificity of modern landed property in agrarian production, its relationship with capital and its "laws of motion" and, therefore, the existence of surplus profits appropriated in the form of ground rent have become

[1] For a similar conclusion from a different theoretical perspective, see Carlson (2018) and Manning (2020).

increasingly neglected in the specialised literature of Agrarian Marxism. To put it differently, all discussion of landed property has been consigned to its role as historical premise or presupposition of the emergence of the capitalist mode of production. But very little light has been shed on its determination as a posited result of the reproduction of capital.

Bernstein´s retrospective look in the 1990s on the resolution of the classic agrarian question is quite telling in this regard: "the land question […] was resolved either by revolutionary means, by bourgeois land reforms, or by the internal transformation of feudal property to capitalist farming" (Bernstein 1991, 487). In this way, all contemporary relevance of the role of landed property in agriculture tends to become boiled down to a problem of access to land for subsistence production or, as Araghi puts it, to a matter of "dispossession through displacement" (Araghi 2000). The essential difference between capital and landed property has been therefore progressively left out of the picture. Similarly, one could argue that to the extent that the industrialisation process gradually left its initial stages behind, Agrarian Marxism also tended to lose interest in the problematic of intersectoral transfers of value between agriculture and the rest of the economy. As Akram-Lodhi and Kay succinctly and expressively conclude, with "the development of the forces of production on a global scale […] agriculture has effectively become 'decoupled' from the process of capital accumulation" (Akram-Lodhi and Kay 2010b, 264).

In sum, considering this intellectual trajectory traversed by Agrarian Marxism, it is not surprising that the classic agrarian question has been declared fundamentally settled in the face of the development of capitalism in the past century, particularly in the light of the increasingly manifest subsumption of different agrarian productions to

the movement of "Transnational Corporations" associated with the phenomenon of so-called globalisation. Yet, we think that the matter looks different when the agrarian question is approached through the systematic exposition of the general determinations of capital unfolded in the Marxian critique of political economy.

As discussed at great length elsewhere (Starosta 2015), and as has been ever more widely acknowledged in the Marxist literature (Postone 1993), one of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, business or the bourgeoisie). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully developed form as the total social capital, becomes inverted into the alienated subject of the unity of the process of social reproduction and its expansion. Thus, capital is essentially the movement of self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976, 723–24; 1992, 185). All moments of the human life process thus become inverted into material bearers of the life cycle of capital, or they become forms assumed by the flow of value in its circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976, 251–57).

From this standpoint, every privately-organised productive unit, as a materially integral part of the social division of labour, becomes necessarily subsumed under the movement of formation of the general rate of profit. It follows from this that, whether they have the phenomenal form of an individual capital or not, all productive units become formally determined as if they were one. Hence, the human individuals whose reproduction process is subsumed to that private fragment of social labour, become invested as personifications of capital, labour power and, eventually, landed property. Seen in this light, the peasant is an individual who is simply characterised by the concentration in their own subjectivity of the personification of those three different and antagonistic social roles (Marx 1988, 556; 1994, 142).

This approach to the social determinations of the peasant reframes the discussion of the characterisation and historical potentialities of the peasantry in relation to the kind of capital they personify and the relation that they have in that capacity with landed property. However, in the systematic exposition of the critique of political economy, Marx never went beyond the simplest determination of individual capitals as formally undifferentiated organs of the total social capital. Presumably, he had planned to defer the treatment of the differentiation of individual capitals (in particular, that between normal and small capitals) to the separate book on the concrete forms of competition that he eventually never managed to complete during his lifetime (Marx 1988, 444). Yet, as Starosta (2010) argued building on Iñigo Carrera´s (2016) insights, it was precisely in considering peasant agricultural production as the carrier of the determination of a small capital that Marx hinted at the basic elements for such a systematic exposition of the differentiation between capitals.

In a nutshell, in those pages Marx implies that despite its significantly smaller scale, the individual capital which the peasant personifies can survive competition from normal capitals. This is possible because "the smallholding peasant´s exploitation is not limited by the average profit on capital, in as much as he is a small capitalist; nor by the need for rent, in as much as he is a landowner" (Marx 1991, 941). Therefore, the smallholding´s higher costs could be offset by having "the absolute limit" to its reproduction in "the wage that he pays himself, after deducting his actual expenses" (941–42). In other words, this absolute limit implies the absence of all profitability as personification of capital and an income which boils down to the peasant´s condition as personification of labour. As argued elsewhere (Starosta 2010; Iñigo Carrera 2016), before reaching this extreme limit, the small agrarian capital does yield positive profitability, which is regulated by the rate of interest on the liquidation value of productive assets. Against this backdrop, the limit selling price which secures the small capital´s reproduction could even stand below that of the regulating price of production of normal capitals. Under those circumstances, the peasant´s small capital would outcompete normal capitals, with the result that a portion of the surplus labour performed there would be "presented to society for nothing" (Marx 1991, 942).

Now, the specialised literature in agrarian studies has broadly acknowledged and thematised the existence of specific obstacles for the valorisation of capital in agriculture, among which the limits to territorial expansion, climate-induced pronounced fluctuations of the productivity of labour and overly long production periods stand out (Bernstein 1994, 50–52). These barriers have so far made agriculture particularly apt for the prevalence or even full dominance by small capitals. By contrast, those normal capitals which operate in neighbouring branches of production, which

provide agriculture with means of production or commercialise agrarian commodities, have shown virtually no interest in embarking on a process of vertical integration of agricultural production (Heffernan 2000, 68–71). Instead, they have preferred to "double squeeze" the latter by forcing high prices for agricultural inputs or low prices for agricultural output (Weis 2007, 82). Seen in this light, the displacement of the peasant or petty commodity producer by capitalist firms, or a changed orientation of production to the world market are far from entailing the overcoming of the "agrarian question". As long as agricultural capitalist enterprises continue to be small capitals, the limits to the development of the productive powers of social labour in agriculture will remain firmly in place.

On the other hand, the "colonisation" of agrarian production by small capitals leads to a particular relationship between capital and landed property. In principle, there should be a tendency for the repulsion and separation between them. The reason for this is that capital invested in the acquisition of land yields the rate of interest only (Marx 1991, 760–61), whilst its valorisation in production yields the average rate of profit, which is, by definition, normally higher (480–82). By contrast, by virtue of the significantly lower-than-average rate which regulates the valorisation of small capitals, they are unaffected by this barrier to land ownership; it is a matter of indifference to them whether to invest additional capital in buying land or in the expansion of the scale of production. Hence the observable empirical tendency in agriculture for a tenancy regime which fuses together capital and landed property.

The American "farmer" probably is the classic figure that incarnates this "hybrid" personification of reified social relations. However, of more immediate relevance for the theme of this article, it also is the case of the so-called "agrarian

producer" (or "chacarero") from the Argentine Pampas. This is a social subject whose reproduction is subsumed under the law that governs the subsistence of small capitals as just sketched out. Consequently, they act in the social reproduction process not only as their own labourer for a wage-equivalent, but also totally or in part as their own landowner. Hence the active role of this type of individual as the political subject *par excellence* in social conflicts over the appropriation of ground-rent, as we shall see in our empirical discussion in a subsequent section.

At this juncture, it might be worth noting that the joint personification of capital, wage-labour and landed property is not exclusive to the case of "farmers" and "chacareros", who can be seen as the "genuine" expression of the small agrarian capital. This three-fold personification also tends to be the social determination of individuals that the capital accumulation process throws into the ranks of the rural relative surplus population. In effect, to the extent that their "income" sinks *below* the absolute limit to the subsistence of small capitals (i.e. below the equivalent of a "normal" agrarian wage), the law that comes to regulate the reproduction of this private fragment of social labour (hence of the individuals who personify it), no longer is the formation of the general rate of profit. Instead, their material and social reproduction becomes subsumed under the accumulation dynamics which determine the respective volume of the different forms of existence of the relative surplus population. A paradigmatic example is that of the great majority of peasant communities in most of Latin America, whose subsistence in impoverished conditions rests on petty commodity production usually catering for local food markets, but which have more recently managed to act as suppliers in "global value chains" (e.g. those cocoa "owner-producers" in Ecuador barely scraping a living on USD 2 a day, which Purcell (2018) discusses in great depth in the recent special

issue on Agrarian Marxism in journal). In this latter case, the subjective aim of these individuals centers exclusively on their most immediate material reproduction as personifications of labour, and they are therefore entirely indifferent to the fluctuating movements of ground-rent.[3]

In our view, this unified concrete mode of existence of capital and landed property explains, to a large extent, the aforementioned neglect of the contemporary role of modern landed property in agricultural production within Agrarian Marxism. However, when the reproduction of the peasantry is approached as a concrete outcome of the unfolding of the "law of value" as mediated by landed property, the latter´s specific significance for agrarian production comes to the fore. As we shall see later, this is also relevant with regards to the problematic of intersectoral flows of value between agriculture and industry, which has been another longstanding concern of the first controversies within Agrarian Marxism. From both angles, the implication of our argument so far is that the consideration of the classic agrarian as fully resolved might be too hasty. To further substantiate this conclusion, we must turn now to the closer examination of the nature and source of capitalist social wealth that takes the form of ground rent.

[3] For this reason, we shall leave them out of the main theme under discussion in this article. See Villar (2022), for an in-depth examination of the stark contrast between these two qualitatively different kinds of "hybrid" personification ("genuine" small capitals vis-à-vis the rural surplus population) in the case of Paraguay.

2. Ground rent and its source

Ground rent appears as a mass of value which ends up in the hands of landowners exclusively by virtue of their ownership of land. In his systematic-dialectical exposition of this form of surplus value, Marx identified four mechanisms through which landowners manage to capture this portion of social wealth: differential rent I, differential rent II, absolute rent and simple monopoly rent. The common basis of all of them resides in the existence of natural conditions of production materially tied to land, which thereby have a quantitatively limited availability and which capital cannot reproduce without affecting its normal valorisation.

In the case of both types of differential ground rent, they are constituted by surplus profits that emerge as a result of differences in the productivity of labour which, in turn, derive from capital investments in natural environments with diverse material properties, fundamentally fertility or location. Differential rent I simply derives from the varying productivity of labour set into motion by capitals invested on plots of land with distinct degrees of fertility or proximity to consumer markets (Marx 1991, 779 ff). By contrast, albeit predicated on the existence of type I, differential rent II stems from the varying productivity of labour borne by successive capital investments on the same plot of land (812 ff). In both cases, the limit to the extensive or intensive application of capital is reached with the last investment that yields the average rate of profit (i.e. allows the normal valorisation of capital), given the market price for the respective commodity as determined by effective demand.

For its part, absolute rent is constituted through the appropriation of the surplus profit that emerges from the difference between the value and the price of production of commodities, which in turn results when the active affirmation of the landowners´

absolute monopoly over that natural condition of production hinders the participation of agrarian capital in the formation of the general rate of profit (882 ff). Lastly, simple monopoly rent derives from the sheer existence of private property over the worst land (898; 906; 910). Insofar as these two types of ground rent entail a higher unit price for agricultural produce, they also affect the magnitude of differential ground rents (897).

The identification and explanation of the various mechanisms through which surplus profits in agricultural production are transformed into ground rent have been subject to wide ranging controversies in the specialised Marxist literature. In the first place, scholars have debated the determination of absolute ground rent vis-à-vis that of simple monopoly rent (Bortkiewicz 1910; Emmanuel 1972, 216–23; Harvey 2009, 179–82). In the second place, in the last quarter of the 20th century a controversy over the characterisation of differential rent II cropped up (Ball 1977; 1980; Fine 1979; Flichman 1977). Lastly and of more direct relevance for the theme of this article, there has been a polemic on the primordial source of the surplus value which takes the form of ground rent. More specifically, at stake here is the identification of the wage workers who produce the surplus value that landowners appropriate as the revenue accruing to landed property. As we shall see, this point is of fundamental significance not only with regards to the role of agrarian production in capitalist development as debated in the "classic" agrarian question, but also in connection with the specificity of Latin American societies in the global unity of the accumulation of capital. Let us therefore examine this latter controversy in more detail.

In essence, two main perspectives can be discerned. On the one hand, there are those scholars who maintain that, regardless of the type of ground rent, in all cases it is constituted by surplus value produced within agriculture. On the other hand, other

authors argue that, except for absolute rent, all other forms of ground rent have their source in surplus value originally produced outside agrarian production.

The former perspective has been fundamentally developed by the Soviet orthodoxy that consolidated out of the debate tiggered by Preobrazhensky´s (1965) work on the role of the agricultural sector in the industrialisation process (Lapidus and Ostrovitianov 1929, 279–80; Lyubimov 1930, 118–19; 211–18; 223–25; 247–74; Institute of Economics of the Academy of Sciences of the U.S.S.R. 1957, 222–23). The basic argument that crystallised as official doctrine was that insofar as ground rent originates due to the higher productivity of labour which produces in more favourable circumstances, the substance of surplus value that constitutes ground rent must be found in that labour itself. This is the conclusion drawn by, for instance, Lapidus and Ostrovityanov: "ground rent, which constitutes an extra profit over and above the average profit, is created by the higher productivity of the workers employed on better soil" (Lapidus and Ostrovitianov 1929, 279). More sophisticated contemporary versions of essentially the same longstanding argument (Balardini 2017) emphasise that since value is a reified social relation, its magnitude can only be determined in the exchange process. Consequently, these authors reject the notion that there could be such thing as intersectoral transfers of previously-constituted masses of value.

However, a first problem with this line of reasoning is that it stands in blatant contradiction with the Marxian explanation according to which an increase in the productivity of labour leads to a larger quantity of use values produced in a certain time but leaves unaltered the total amount of value (Marx 1976, 130–31). Furthermore, as pointed out by some scholars in other debates which have also touched upon the problematic of value-transfers, the implication of the idea that ground rent is constituted

by the surplus labour extracted from agricultural labourers is that the total quantity of surplus value generated across society would no longer coincide with the total quantity of surplus labour performed by the working class as a whole. The immanent unity between materiality and social form characterising capitalist society would thereby be torn asunder (Mandel 1998, 92–107; Starosta, Caligaris, and Fitzsimons 2021).

The other position in this debate initially developed within Japanese Marxism in response to Lyubimov (1930) and was also put forward by several Latin American contributions to debates over dependency and the agrarian question in the region around the 1970s (Sakisaka 1930; citaddo en Itoh, 1988; Uno 1977, 98 fn 4; Itoh 1988, 237 ff; Laclau 1969; Bartra 1979). The central argument was that since in agriculture the market price is regulated by the least favourable conditions of production, those privately-performed fragments of social labour which set into motion a higher productivity are also expressed in that market price. And this leads to a quantitative divergence between the latter and the magnitude of value of agricultural commodities. As buyers of the consequently dearer agricultural produce mostly comprise members of the working class, the mass of value at stake entails a deduction of the surplus value that could otherwise be extracted from them should they need not consume those higher priced commodities. It follows from this that the surplus value which constitutes ground rent originates in those branches of production in which the said wage workers/consumers are employed (i.e exploited by capital).

In our view, this latter perspective is the one which is consistent with the substantive and methodological foundations of the Marxian critique of political economy. As a matter of fact, it is in line with Marx´s own argument in his examination of ground rent which leads him to characterise this part of surplus value as a “false social value”,

which “results from the law of market value to which agricultural products are subjected” (Marx 1991, 799).

This conclusion that ground rent is surplus value produced in other branches of the social division of labour allows to cast in a different light both the parasitical character of the landowning class and the potential flow of the so-called “agrarian surplus” to industrial capital in general. In the first place, it shows that the material and social reproduction of landowners, as the class of personifications of landed property, and regardless of whether it concretely exists in unity with, or differentiated from, the class of agrarian capitalists, comes at the expense of the accumulation of capital as a whole. More specifically, surplus value that could feed the expansion of social production ends up being squandered in a social class which plays no active part in the capitalist organisation of social labour (not even that of exploiting the “direct producers” of surplus value). In the second place, and fundamentally, it becomes clear that the part of agrarian social wealth transferred to industrial capital in general, far from involving a primordial drain out of agrarian production, actually entails the recovery of surplus value which had originally slipped from industrial capital´s hands. Let us scrutinise this latter point more closely.

First of all, the possibility of the recovery of surplus value initially pocketed by landowners lies in the nature of the revenue that constitutes ground-rent. This form of revenue reproduces a social subject that plays no role in the immediate process of production, so that the appropriation of that part of the revenue by third parties does not affect the reproduction process in its unity (Marx 1988, 539).

From this viewpoint, it would seem that the total social capital has no choice but to get rid of the landowning class, taking directly into its hands the exercise of monopoly over

the land, or rather, converting private property of the land into state property, so as to not have to cede to this parasitical class a part of the surplus value generated by its own workers (Marx 1988, 470).

However, the abolition of private property for a means of production as significant as the land cannot be realised without calling into question the private property for the rest of the means of production and private property in general. Thus considered, it would appear that the total social capital has no option but to live with the landowning class and, therefore, to cede to it all surplus value corresponding to the form of ground-rent (Marx 1988, 278).

The recovery by the total social capital of the surplus value produced by its workers but which ends up in the hands of landlords in the form of ground rent contains, then, a contradiction. On the one hand, a recovery could be possible insofar as landlords are mere social parasites and, therefore, useless for the entire process of the accumulation of capital; on the other hand, doing away with landlords would imply jeopardising private property of the land and, along with it, the very process of capital accumulation. Marx presents the development of his contradiction in the following way: “Capital cannot abolish landed property. But by converting it into rent [which is paid to the State] the capitalists as a *class* appropriate it and use it to defray their State expenses” (Marx 1988, 470).

In summary, insofar as ground rent is a mass of value that the landlord appropriates only by virtue of the economic relation they personify, the total social capital can appropriate from them through the power of the state (in its capacity as the political form of capital in general; Müller & Neusüss, 1975; Starosta, 2015). However, precisely because ground rent is revenue accruing to the private property of land, this

appropriation is quantitatively limited by the very questioning of private property that it entails.

3. The agrarian sector and the industrialization process

Although seldom explicitly acknowledged or formulated in the substantive terms outlined in the previous section, the contradiction between capital (rate of profit) and landed property (ground-rent) has arguably underpinned another issue which has caught the attention of Agrarian Marxism beyond the classical concern over the "capitalization of agriculture", namely: the broader question of the relationship between the agricultural sector and capital accumulation and, more concretely, that of the role of the so-called "agrarian surplus" in financing the "development project" (Akram-Lodhi and Kay 2010a, 192–93). The intellectual lineage of this theoretical concern can be traced back to Preobrazhensky´s intervention in the debates over the New Economic Policy in the Soviet Union (1965, 194–95). However, the part played by "intersectoral transfers" between agriculture and industry was later reconsidered in wider terms as a central aspect of the political economy of "late industrialization". Specifically, the issue has emerged in comparative studies of capitalist development in Latin America and East Asia.

In effect, some scholars have maintained that the early implementation of comprehensive land reforms prior to the industrialization process, coupled with the subsequent agrarian state policies channelling the intersectoral transfer of resources, have been a central determinant of East Asia's (mainly, Taiwan's and South Korea's) outperformance of Latin America (Anglade and Fortin 1990; Kay 2002; Kohli 2004). Thus, the argument goes, whilst South Korean and Taiwanese states were able to

finance the industrialization process through 'the squeeze of the peasantry' upon the abolition of landlordism, the failure or lateness of land reforms in Latin America resulted in the continued reproduction of a politically powerful landlord class which hindered the state´s attempt to "extract such a high surplus from agriculture as in South Korea and Taiwan" (Kay 2002, 1093). However, as argued at greater length elsewhere (Grinberg and Starosta 2009), although agrarian policies have indeed been a significant element in each region´s respective processes of capital accumulation, the differential resolution of the "agrarian transition" has not been a fundamental reason behind the divergent paths of industrialization. Instead, those distinct political forms have expressed the qualitatively different modes taken by the essentially global process of capital accumulation in each region, which in turn have mediated the unfolding of the changing historical modalities of the capitalistic international division of labour (Charnock and Starosta 2016). More specifically for the theme of this article, we shall see that the existence of a global inflow of extraordinarily large masses of social wealth in the form of differential ground-rent into Latin America, implied that capital so far has not confronted established forms of landed property as an immediate insurmountable barrier for its accumulation. Consequently, it has been able to valorise normally (i.e. at the average world market rate of profit) by appropriating only a portion of ground-rent and, hence, through the continued reproduction of landlords as a class. However, we shall also see that this form of capital accumulation has resulted in increasingly limited developmental potentialities for those national territories.

Now, as is recognised by virtually all accounts of the history of capitalist development in Latin America, the original subsumption of these territories to the global accumulation of capital was based on the production of agricultural and/or

mining commodities for the world market. As Marx remarks in *Capital*, the establishment of this "classic" modality of the international division of labour (that he labels "new"), which "converts one part of the globe into a chiefly agricultural field of production for supplying the other part, which remains a pre-eminently industrial field" (Marx 1976, 580), was determined by the production of relative surplus value through the system of machinery of large-scale industry.

In effect, the exceptional natural conditions prevailing in many of these territories allowed for a greater productivity of agricultural or mining labour, thereby resulting in the cheapening of means of subsistence and a lower value of labour-power. However, this form of subsumption of Latin American territories into the global circuits of accumulation was ridden with a contradiction: if, on the one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other this was partly offset by the drain of surplus value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground rent. Moreover, to the extent that primary commodities produced in the region have been exported and consumed overseas, ground rent has constituted a continuous extraordinary international inflow of social wealth (as opposed to the normal outflows in the process of equalisation of the worldwide rate of profit emphasised by some Marxist dependentistas, e.g. Dussel, 2002).

Capital was thus driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus value, through the establishment of an "antagonistic association" with local landowners over the appropriation of ground rent. From being simply a source of cheap raw materials and means of subsistence, those territories became also determined as sources of ground

rent recovery for global industrial capital. The developmental trajectory of these countries has been determined by the historical course of this modality of capital accumulation, not only throughout the so-called agro-export stage, but also during the so-called Import Substituting Industrialisation (ISI) phase and, in South America, until contemporary times (Iñigo Carrera 2016, 34–47).

As Caligaris (2016, 66) points out, insofar as "the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process" the total social capital's recovery of ground rent "must take shape, first of all, in the appropriation of ground-rent by the national total social capital of "resource rich" countries through its own national state." This political mediation has been necessary in order to block the "spontaneous" course of ground rent towards landowners through a wide array of state policies that intervene in the circulation of ground rent-bearing commodities and divert its flow towards industrial capital. Thus, the transfer of ground-rent has been achieved through different policy mechanisms (overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which resulted in the establishment of specific domestic conditions for the circulation of capital within those national territories. Consequently, its appropriation could only be done by industrial capitals operating within those countries and whose circuit realised its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms (Grinberg and Starosta 2009, 769 ff). Although this has meant that individual capitals could not reach the scale needed for profitably utilising advanced technologies, they have compensated for the resulting higher production costs by appropriating a portion of ground-rent. In this way, they have valorised at the

average rate of profit despite their restricted magnitude and backward technologies. This abundant extraordinary mass of social wealth has systematically complemented the surplus-value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces.

The modality of the accumulation of capital based on the appropriation of ground-rent in Latin American protected markets has been very attractive for domestic capitals which, with the exception of those producing ground-rent-bearing commodities, were not competitive enough to sustain their expanded reproduction by producing for the world market. But additionally and fundamentally, those markets have proved especially profitable for industrial capitals of foreign origin (i.e. TNCs), which were established there from the mid-to-late-1950s onwards. Unlike the internationalisation strategy of TNCs in East Asia (the establishment of "world market" factories, whether directly or through OEM arrangements), foreign capitals in Latin America operated on the smaller scale that those domestic markets required and, given their protected nature, actually made possible. In this way, TNCs in Latin America managed to valorise obsolete fixed capital and accumulate without spending a portion of surplus value in the active development of the productive forces of social labour. However, the other side of this same coin is that the scale of Latin American processes of capital accumulation continued to be structurally dependent on the highly-cyclical evolution of the magnitude of ground-rent available for appropriation (hence the widespread "political and institutional instability" that has historically characterised most Latin American countries, with sharp oscillations between nationalistic populist and/or developmentalist regimes and neo-liberal ones).

This also explains the noticeable lack of dynamism of capital accumulation in the region since the mid-to-late-1970s, which was momentarily and only partially reversed during the recent "primary commodities boom" that seems to be just coming to an end (politically expressed in the current shift to the right in, for instance, Argentina, Brazil and Chile):[4] in effect, the mass of ground-rent, especially of agrarian origin, has been, on average, growing at a slower pace than is required by industrial capital in Latin American national spaces of accumulation. As a consequence, the process of capital accumulation in the Latin American countries slowed down or entered into deep crisis. In this context, and in order to compensate for the slowly growing ground-rent in sustaining industrial capital's profitability, these national processes of capital accumulation have resorted to other sources of extraordinary social wealth, such as the payment of labour-power below its value and the massive inflow of global fictitious capital in the form of mounting foreign debts (the latter made available as a result of the expansion of international liquidity deriving from the long-standing crisis of global overproduction).

Now, since at least the late 1950s, the planetary production of relative surplus value by the total social capital has led to the emergence and gradual development and expansion of a novel configuration of the international division of labour, which has not simply displaced but co-exists alongside the "classic" modality just sketched out. Premised on the concrete material forms taken by the further automation of the

[4] For the so-called "Pink Tide" in South America, see Grinberg and Starosta (2015) for Argentina and Brazil, and Purcell (2016) and Dachevsky and Kornblihtt (2016), for Ecuador and Venezuela.

capitalist labour process and advances in means of transport and communication, the so-called "New International Division of Labour" (NIDL) has revolved around the international fragmentation of the collective productive subjectivity of the working class (Fröbel, Heinrichs, and Kreye 1980; Iñigo Carrera 2014, 560–65; Starosta 2016, 84–96). Moreover, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation that actively participates in the NIDL therefore tends to concentrate on a certain type of labour-power of distinctive "material and moral" productive attributes of a determinate complexity. While spatially dispersed from each other, they are all collectively exploited by capital as a whole in the least costly possible manner.

Although this more recent global restructuring of the international of labour had its most emblematic expression in the "late industrialisation" experience of East Asia since the 1960s (Grinberg 2016), it also had a profound impact in Latin America; paradigmatically in Mexico after the "debt crisis" of the early 1980s and, more recently, in Central America and the Caribbean Basin. Thus, despite the similar developmental trajectory of Mexico vis-à-vis Argentina and Brazil until the 1980s, in the past three decades the former country has transformed the specificity of its capital accumulation process. More concretely, it has become a source of relatively cheap and disciplined simple labour power for industrial capital in general, which exploits it in the material conditions (of scale and technology) needed for competitive world market production (whether directly in Mexico through the maquilas regime, or mediatedly through the

international migration of workers into the USA). Hence the contrast with Argentina and Brazil, where capital continued to find it more profitable to valorise on the basis of the appropriation of a portion of ground-rent; either because the specific kind of labour-power it needed was not there or was not cheap enough, and/or because the mass of ground-rent was large enough to offset the benefits of a "structural transformation" in the other direction by providing the source of extraordinary social wealth sustaining those profitable protected domestic markets (albeit on a diminishing scale).

In the following section, and by way of empirical illustration of our general argument, we shall provide quantitative evidence for Argentina of what could be referred to as the "social cost of reproduction of the landowning class". On the one hand, we shall see that, in effect, in the last 30 years landowners have appropriated a significant amount of social wealth: they have pocketed an average of 30% of the total ground rent that has flowed into the country. On the other hand, this means that this has not prevented capital from recovering the remaining 70%, thus making evident that the antagonistic relationship between capital in general and landed property has continued finding "room to move" in Argentina through the reproduction of landowners as a class.[5]

[5] Our discussion will focus on the portion of ground rent appropriated by landowners. We are currently finalising an update of the measurement of the ground rent appropriated by capital in general.

4: The evolution of the magnitude of ground rent appropriated by landowners and its concrete political forms: the case of Argentina 1993-2019.

To begin with, let us draw the reader´s attention to the fact that, in Argentina, there is a noticeable prevalence of small capitals in the agrarian sector, just as discussed in section 1. Consequently, the tendency for the unity between capital and landed property is also verified, with the same individual thereby determined as a joint personification of both social roles. In effect, according to the latest National Agrarian Census (2018), as many as 47276 holdings explain the total annual crops in the Pampas. In turn the tenancy regime in the Pampas is still dominated by the individual agrarian capital´s ownership of land: whilst this latter form of land tenure accounts for 61% of the cultivated area, only 36% takes the form of tenant farming.[6] Admittedly, the share of lands under tenancy has risen, albeit with fluctuations, over the recent past. In our view, however, this empirical trend does not clash with the general determination on the unity between capital and landed property in agrarian production discussed in section 1. As a matter of fact, it is a phenomenon to be expected in circumstances of pronounced technological change, as happened between the late 1990s and the mid-2000s. In effect, the resulting increase in minimum "efficient" scales of production led to the ruin of smaller agricultural holdings. Consequently, those areas came to be leased to neighbouring farms, which thereby extended their scale of operation, or to so-called "large sowing pools". The latter surged during the unprecedented hike in prices in the 2000s and were mostly formed out of speculative capitals from outside agriculture through, for instance, the establishment of

[6] For an in-depth analysis of the latest National Agrarian Census, see Ameghino and Fernández (Ameghino and Fernández 2019).

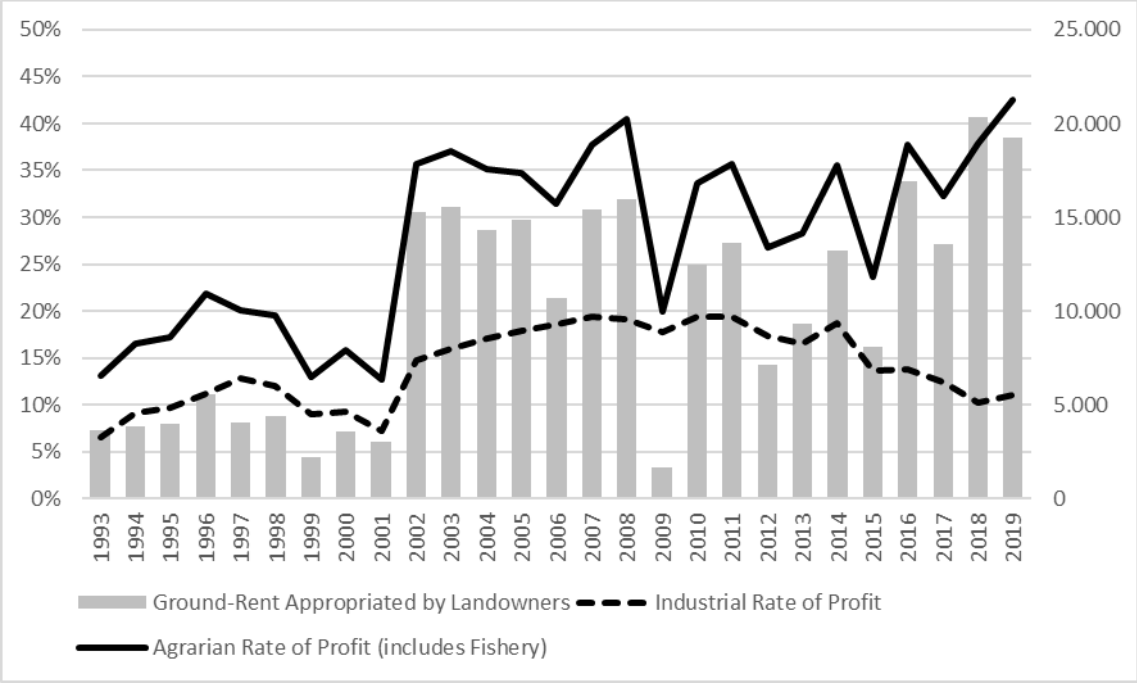
financial trusts (Fernández 2010; Caligaris 2015). Yet, they tended to disappear when agrarian prices eventually dropped towards the mid-2010s (Gras and Cáceres 2017). Either way, these phenomena led to the diffusion of a novel kind of social subject, namely: the "pure" *small landowner* (so-called "mini-rentier" in the local literature), whose subsistence turns to rest on the minimum magnitude of ground-rent necessary for their material and social reproduction, which in turn can be comprised by familial subdivision of landed property through inheritance.[7] Against this backdrop, hereafter we shall refer to "landowners" to denote all social subjects whose material reproduction is tied to the personification of landed property, whether "in pure shape" or jointly as personification of an agrarian capital as well.

Our quantitative estimate of the magnitude of ground-rent captured by landowners draws on the general methodology originally formulated by Iñigo Carrera (2007), which he applied to the period 1882-2004. Here we present a new estimate which involved a revision of some statistical sources and the update of all data, covering the period 1993-2019. In a nutshell, the method consists in the estimation of both the primary appropriation of ground-rent by landowners and the portion recaptured by capital in general. In this article, we focus on the former portion, which derives from the comparison between the rate of profit in the agrarian sector with that in industry, with the latter as a proxy for the normal or general profitability of capital within the national space.

[7] In our view, these two phenomena (the leap in the normal degree of concentration of capital in agrarian production and the appearance of sowing pools) underlie the so-called fading away of the "chacareros world" described in the specialised literature (e. g. Balsa 2006; Gras and Hernández 2019).

Insofar as the rate of profit in both sectors is calculated as the relationship between the surplus value appropriated and the total capital advanced, a higher sectoral rate of profit in agriculture entails the existence of surplus profits in that branch of production. As we have seen in section 2, this mass of capitalist social wealth is transformed into ground-rent accruing to landed property. To put it differently, the inter-branch comparison of rates of profit allows to set apart the profit of agrarian capital and landowner´s ground-rent. This is shown in figure 1, which plots the evolution of the respective sectoral rates of profit and absolute magnitude of ground-rent appropriated by landowners between 1993 and 2019.

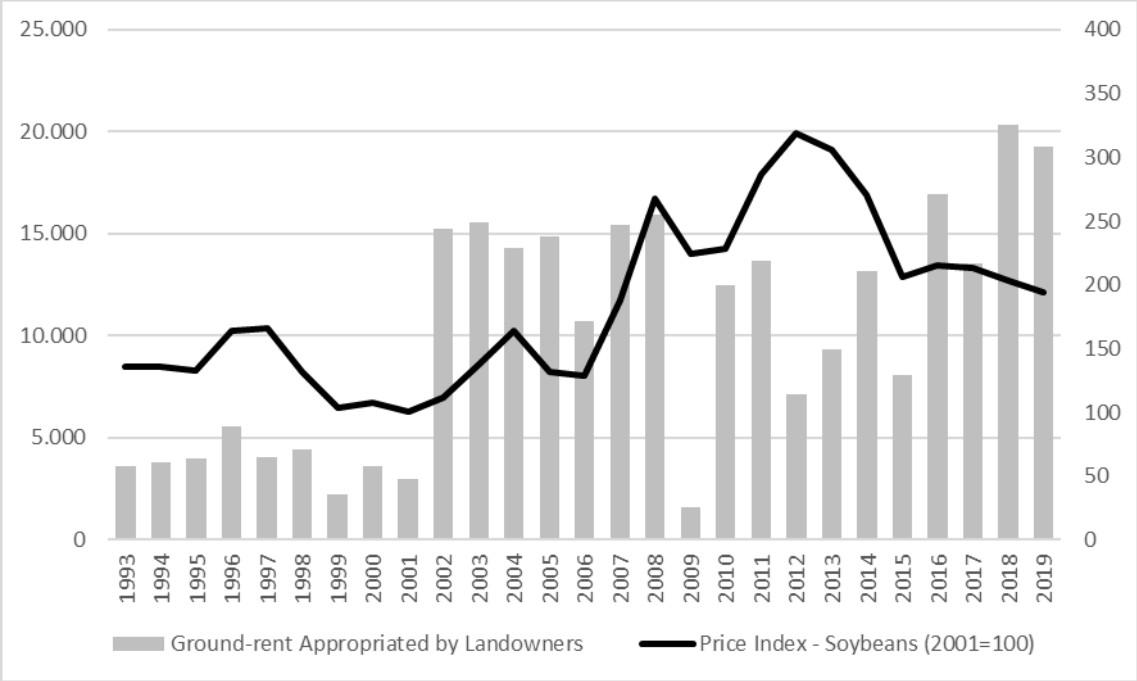
Figure 1: Agrarian vs. Industrial Profitability (Landowner´s Ground-rent). Source: See methodological appendix.



In addition to showing the existence of systematic surplus profits in the agrarian sector (i.e. ground-rent), this figure also evidences the remarkable increase (more than three times) in its absolute magnitude during the 2000s. More specifically, this means that during the period 2002-2019, around a third of the agrarian net product (which amounts to 2% of Argentina´s GDP) was essentially "squandered" in the reproduction of landowners as a parasitic social class. As is well known, this rise relates to the surge in agrarian production during the so-called (primary) "commodities boom". Thus, except for 2009, which was doubly affected by both a draught and the plummeting of prices of agrarian commodities in the context of the global financial crisis, landowners benefitted from the general prosperity of the agrarian sector in the form of an absolute increase in the mass of social wealth that they appropriated as a class.

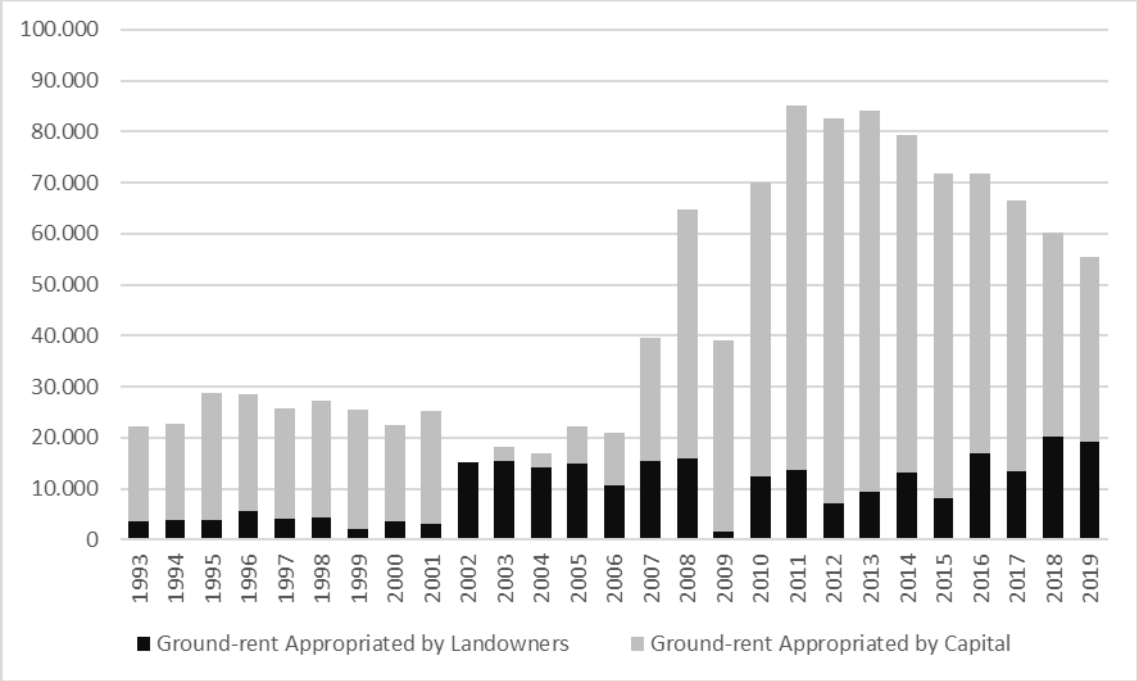
Yet, on closer inspection of shorter-term variation of agrarian prices, it is possible to discern a certain delinking between the movement of international prices, hence the mass of *total ground-rent* flowing into Argentina through the export of agrarian commodities (paid more dearly at the expense of surplus value produced abroad by virtue of the "false social value" contained in them), and the portion of ground-rent *pocketed by landowners*. For instance, between 2010 and 2012 there is a pronounced hike in agrarian prices (of more than 40%), but it did not translate into the growth of ground-rent captured by landed property (which actually contracted during 2012 and 2013). Conversely, when in 2014 agrarian prices reversed their upward trend to henceforth stabilise until 2020 at around 35% below the peak of 2012, the mass of social wealth appropriated by landowners actually grew to unprecedented levels.

Figure 2: Landowner´s Ground-rent and Agrarian Prices. Source: See methodological appendix.



Now, what is the reason for this delinking between the movement of international agrarian prices and the magnitude of ground-rent appropriated by landowners? As argued in the previous section, this is explained by state policies which mediate the diversion of the course of ground-rent flowing into the country towards capital in general; among them, the establishment of taxes on agrarian exports and the regulation of the exchange rate (more concretely, the overvaluation of the national currency, achieved through a rate of devaluation that lags behind inflation), stand out.

Figure 3: Share of Capital and Landed Property in Total Ground-Rent. Source: See methodological appendix.



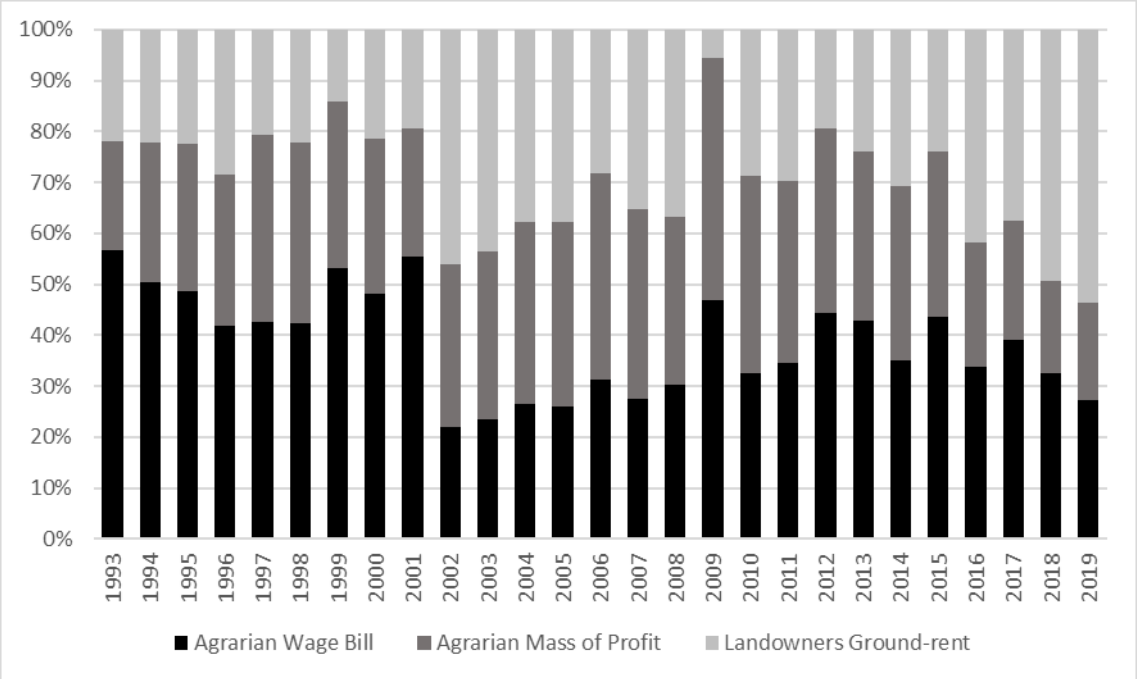
Indeed, as this third figure makes evident, the increase in total ground-rent derived from the hike in international prices since 2007 ended up mostly in the hands of capital in general. Unsurprisingly, this process led to a heightening of the political confrontation between the governing "populist coalition" (the so-called "Kirchnerist" administration) and the landowning class (represented in different "rural" organisations), especially since 2008 (Pérez Trento 2021). The material basis of the growing discontent of the personifications of landed property lied not only in the decrease of their share of total ground-rent but was actually compounded by the actual fall in the absolute magnitude of social wealth appropriated as a class. Between 2010 and 2015, landowners pocketed, on average, 25% less ground-rent than in the period 2002-2008. As a matter of fact, the contrast with the latter period is even starker: from

2002 until 2006, landed property had actually increased its appropriation of ground-rent vis-à-vis the levels reached in the 1990s up to, and including, 2001. Moreover, this took place in the context of a sharp drop in the inflow of total ground-rent into the country, which thereby meant that intersectoral transfers into the rest of the economy concomitantly fell (and virtually faded away between 2002 and 2004). A similar pattern can be discerned during the right-of-centre Macri administration from 2016 until 2019, albeit on a smaller scale. In effect, on the one hand, the pronounced fall in international prices of agrarian commodities since 2014 led to a decrease in the total ground-rent available for appropriation. On other hand, the substantial reduction of export taxes, coupled with the devaluation of the national currency after the sudden lift of all foreign exchange controls, meant that both the absolute level and the share of ground-rent captured by landowners increased.

In sum, these estimates illustrate the connection between the ebbs and flows of the availability of total ground-rent in the national space and its capture by both the different social subjects comprising the agrarian sector and that by the accumulation of capital in general outside agriculture. When climatic conditions (i.e. draughts or floods) or international prices lead to the shrinking of total ground-rent, given its key role in the general reproduction of the national process of accumulation, the need arises to sustain the scale of agrarian production. Consequently, a reduction of export taxes and/or a devaluation of the (usually overvalued) national currency takes place, with a view to increasing the domestic price of agrarian commodities and thereby shielding the sector from the negative effects of the crisis. Thus, the development and resolution of the accumulation crisis is achieved through the growth of the relative share of landed property in the appropriation of total ground-rent. Under particularly dire economic

circumstances, it might even lead to the absolute growth in the mass of social wealth captured by landowners, as happened in both 2002 and 2016. In other words, the resolution of the crisis is in all cases achieved at the expense of the share of agrarian capitalists and, fundamentally, that of agricultural workers (as shown in the next figure) and, more generally, by curtailing the transfer of ground-rent to capital in general across society.[8]

Figure 4: Class Distribution of the Agrarian Net Product. Source: See methodological appendix.



[8] For a more extended discussion of the changing material conditions of reproduction of agrarian wage-workers during this period, see Villulla (2021).

At this juncture, it is interesting to consider against this backdrop the ideological and political forms of subjectivity and action which have mediated those fluctuations in the magnitude, and the changes in the share, of the inflow of ground-rent into Argentina. Specifically focusing on the personifications of landed property, two kinds of phenomena can be discerned as the underlying determinants of their antagonistic stance towards state policies that channel a portion of ground-rent into the accumulation process of capital in general.[9] In the first place, as Iñigo Carrera (2008) points out, the concrete mechanisms adopted by intersectoral transfers of social wealth are of the essence, particularly as far as it concerns the ideological dimension of the political consciousness of landowners. In this sense, the overvaluation of the national currency stands apart from other, more direct or overt forms of diverting the course of a portion of ground-rent into the pockets of capital (such as special export taxes on agrarian commodities), for its universal scope and relatively opaque or "invisible" nature. To a large extent, this helps explain its predominant and recurrent character over the historical course of capitalist development in Argentina. It also allows to understand the support of landowners to, or even outright participation in, political regimes whose main economic policies included the overvaluation of the national currency.

[9] In other words, on the grounds spelled out earlier on (see fn. 2), the following discussion does not apply to the rural surplus population that constitutes the social determination of most "peasants" in the rest of Latin America. As already mentioned, for those social subjects the appropriation of ground-rent is entirely immaterial for their conditions of reproduction and, therefore, for the constitution of their political subjectivity.

Yet, the potentiality of this modality of appropriation of ground-rent by capital to pacify the opposition of landowners and proceed in comparatively "harmonious" ways, largely depends on the existence of a single foreign exchange rate regime. By contrast, when the overvaluation of the national currency operates in a context of foreign exchange controls, with a dual or multiple exchange rates regime (whether formal or informal), "parallel" exchange rates bring to view the "drain" of social wealth entailed by the overvaluation of the "official" exchange rate for exports. Thus, landowners tend to radicalise their political opposition to state policies that mediate the diversion of the course of ground-rent. In this sense, this latter scenario tends to resemble that of direct, and thereby more conflictive, forms of appropriation of ground-rent, such as regulation of domestic prices of staple foods or special export taxes on agrarian commodities. The latter, in particular, carry a quantitative limit in their capacity to act as vehicles for the appropriation of ground-rent. In effect, beyond a certain threshold, they clash with the "non-confiscatory" juridical principles that structure the fiscal powers of the capitalist state.

In the second place, there is the sheer material determination of the political consciousness of landowners, which we can sketch out with a brief look at the "politics of intersectoral transfers" in the last three decades in Argentina. The so-called "convertibility regime" implemented during the 1990s, which pegged by law the Argentine peso to the US dollar, resulted in a very strong overvaluation of the national currency (which was maintained by a mounting foreign debt that would eventually turn impossible to service and led to a declaration of default in 2001). Nevertheless, in the absence of foreign exchange controls, this allowed to hide from view that both the absolute magnitude of social wealth appropriated by landowners and their share in total

ground-rent, was in historically very low levels. Despite these comparatively unfavourable circumstances, the personifications of landed property would receive with standing ovation President Menem´s speech at the annual exhibition of the Rural Society of Argentina (the organisation which gathers the larger landowners). Conversely, in the next period (2002-2007), the prosperity enjoyed by landowners by virtue of the sharp increase in their capture of ground-rent, softened the political and ideological impact of the re-introduction of more visible forms of appropriation such as export taxes, which had been eliminated during the 1990s. Relatively moderate taxation rates, coupled with a national currency that remained undervalued until 2007 (upon the heavy devaluation of 2002), also contributed to the momentary pacification of the state-mediated antagonism between capital and landed property (Barlow and Peña 2021).

However, this relatively peaceful scenario would be drastically uprooted in 2008. Faced with the sudden and historically unprecedented hike of agrarian prices in the world market, the left-of-centre Fernández de Kirchner administration unsuccessfully tried to introduce “moving export taxes” which, in that context, would have entailed “confiscatory” levels of taxation and breach the ideological juridical principle of “horizontal fiscal equity”. After a long-drawn-out and fierce political conflict with landowners, the Fernández de Kirchner administration was forced to withdraw the said policy proposal. State-mediated recapture of ground-rent by capital thus came increasingly to depend on growing levels of currency overvaluation. However, unlike in the 1990s, and against the backdrop of a default on the public foreign debt that had not been fully resolved, there was no access to global liquidity that could compensate for the drain of US dollar reserves from the central bank in the face of a gradual worsening of the current account of the balance of payments. The state

responded by the reintroduction of foreign exchange controls. The ensuing duality in the exchange rate made increasingly visible again the effects of the overvaluation on the appropriation of ground-rent by landowners, who thereby intensified their opposition to the "populist" Fernández de Kirchner administration.

This antagonistic stance of the personifications of landed property dwindled between 2016 and 2019, during the term of office of the "market-friendly" right-of-centre Macri administration, who even appointed a former president of the Rural Society as head of the Ministry of Agribusiness. This renewed "harmony" between landowners and the state had the following basis. As soon as it took office the new administration implemented a drastic reduction of export taxes, lifted all foreign exchange controls, and devalued and unified the exchange rate. Although the overvaluation of the national currency remained in place at least until 2018, the intersectoral transfer of ground-rent tended to become more hidden from the view of landowners. In effect, this was a period in which, due to the substantial drop in international prices of agrarian commodities since 2014-5, total ground-rent available for appropriation in Argentina started to shrink. As happened before in 2002, the continued reproduction of the unity of the accumulation process required that the scale of agrarian production be sustained which, as mentioned earlier on, resulted in the rise of the amount of ground-rent captured by landowners vis-à-vis the average levels registered in the prior "Kirchnerist" administration.

Conclusion

In this article we addressed a series of relatively absent themes in the contemporary literature in Agrarian Marxism and showed their relevance for a regional analysis of

contemporary forms of capitalist development in Latin America, which was, in turn, illustrated through a case study of the role of the agrarian sector in capital accumulation in Argentina. The following, we think, are the fundamental points that can be extracted from our discussion.

In the first place, we unfolded the concrete determinations of the general laws of motion of capital that underpin the tendency for the repulsion between normal individual capitals and landed property. Consequently, we argued that the constitution of the peasant as a social subject in the capitalist mode of production expresses their determination as the unity of the personification of a small capital, wage-worker and landowner. On this basis, we explained the "colonisation" of the agrarian sector by small capitals as an expression of the "law of value", which also cast in new light the resilience of peasant production. More generally, this discussion called into question the contemporary consensus over the resolution of the agrarian question.

A corollary of the previous point was the need for a rigorous analysis of modern landed property in the capitalist mode of production and of the determinations of ground-rent as the form of social wealth accruing to landowners as a parasitic social class. More specifically, a case was made for the importance to revisit and clarify the longstanding Marxist debate over the source of surplus-value that constitutes agrarian ground-rent, i.e. whether it originates in the exploitation of workers within or outside agriculture. Our answer to this question paved the way for a discussion of the potentialities of capital in general to recapture a portion of this mass of social wealth to feed its own accumulation.

As a further implication of this, the article made a case for the significance of ground-rent in the unity of its underlying determinations for the comprehension of the

specific form in which Latin American national spaces participate in the global process of capital accumulation. In a nutshell, we argued the role of these territories is not simply to act as suppliers of raw materials and staple foods for the capitalist world market but, more importantly, to be constituted as spaces for ground-rent recovery by the global total social capital. It is this qualitative specificity, we further claimed, that explains the limited potentialities of the industrialisation process and the highly contradictory and crisis-ridden character of the economic and political forms of the accumulation process in the region.

Finally, both this general approach and a methodology for the quantitative estimation of ground-rent, were used to shed light on the recent developmental dynamics in Argentina during the so-called "commodities boom" in the 2000s. This allowed us accurately to identify the relationship between the movement of international prices of agrarian commodities and the appropriation of ground-rent by the different social subjects, as mediated by the public policies implemented by the state. Furthermore, this discussion of the quantitative evidence for the fluctuations in the flow of ground-rent laid the ground for a materialist analysis of the political forms taken by the state-mediated antagonistic relationship between the personifications of landed property and capital in general. In other words, the article sketched out the concrete determinations which underlie the political subjectivity and action of landowners as a class.

METHODOLOGICAL APPENDIX

*The respective rate of profit (R) in each sector (agriculture and industry), is obtained as follows:

$$R = SV / K$$

Where,

SV is total surplus-value appropriated

K is total capital advanced

In turn,

$$SV = VA - W - CFK$$

$$K = CK + FK \text{ (+ livestock in the agrarian sector)}$$

Where

VA is the value added in each sector

W is the cost of labour-force

CFK is the consumption of fixed capital

CK is the circulating capital advanced

FK is the fixed capital advanced

* Ground-rent appropriated by landowners (LR) is calculated as follows:

$$LR = Ka \cdot (Ra - Ri)$$

Where,

Ka is the total capital advanced in the agrarian sector

Ra is the rate of profit in the agrarian sector

Ri is the rate of profit in the industrial sector

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